

State of California

City of Visalia



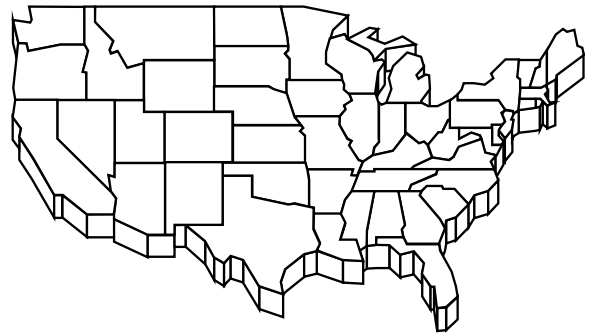
Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2022

CITY OF VISALIA
STATE OF CALIFORNIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022



Prepared by the Finance Department

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Introductory Section

Introductory Section





January 24, 2023

To the Honorable Mayor, City Council, and Citizens of the City of Visalia:

We are pleased to submit the City of Visalia's (the City) Annual Comprehensive Financial Report (ACFR) for the fiscal year July 1, 2021 through June 30, 2022. The City Charter (Article VI - Section 17) requires that a licensed certified public accountant conduct an annual audit at the end of each fiscal year and issue a complete set of financial statements to be submitted to City Council. The ACFR is also intended to provide relevant financial information to the residents of Visalia, taxpayers, creditors, investors, and other interested parties. Like many financial reports, the ACFR is a "snapshot in time". It reflects the financial condition of the organization at a specific point in time. The complex financial operations of a city are extremely dynamic and constantly undergoing change. This is not a document requiring decision-making or adjustment, it is a merely a reflection of a financial point in our history that provides an open and transparent review of our operations.

This letter of transmittal provides a non-technical summary of City finances, services, and achievements, and economic prospects. We ask that readers who wish a more detailed discussion of the City's financial results refer to Management's Discussion & Analysis ("MD&A") contained in the Financial Section of the ACFR.

The City Finance Department is responsible for establishing and maintaining internal controls to ensure that the assets of the city are protected from loss, theft or misuse, and that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. Internal controls are established to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: the cost of a control should not exceed the benefits likely to be derived; and the evaluation of costs and benefits requires estimates and judgements by management. All internal control evaluations occur within the stated framework. City management believes the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The City contracted with The Pun Group, LLP, a firm of Certified Public Accountants licensed to practice in the State of California, to perform the annual independent audit. The auditors expressed an opinion that the City's financial statements for fiscal year 2021-2022 are fairly stated in accordance with generally accepted accounting principles (GAAP). This is the most favorable conclusion and is commonly known as an "unmodified" or "clean" opinion. The independent auditor's report is included in front of the Financial Section of this report.

The ACFR is organized into four sections:

- The **Introductory Section** provides this transmittal letter which includes information about the governmental structure, economic activities of the community, and notable financial activities.
- The **Financial Section** includes the financial statements, notes, and supplemental information. It has management’s discussion and analysis (MD&A) which immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the Basic Financial Statements including notes, the Required Supplementary Information and Supplementary Information.
- The **Statistical Section** includes tables containing historical financial data, debt statistics, and miscellaneous social and economic data of potential interest to readers of financial documents. The data also includes ten-year revenue and expenditure data.
- The **Compliance Section** which includes the Measure T Agreed Upon Procedures Audit, the Measure N Agreed Upon Procedures Audit, and Bond Disclosure Requirements. The citizens of the City of Visalia, in 2004, passed a sales tax ballot measure for public safety operations and in 2016, passed a sales tax ballot measure for essential City services. An annual compliance audit was required as part of the measures and is included in this document.

CITY PROFILE

Basic Information

Visalia is located in the central San Joaquin Valley in California, approximately 185 miles north of Los Angeles and 220 miles south of San Francisco. Visalia is the county seat and principal trading center for Tulare County, which is currently one of the most productive agricultural counties in the United States. Currently, the City has a land area of approximately 38 square miles with an estimated population of 142,091 as of May 2022, making it the 42nd largest city in California (*Department of Finance, State of California*).

The City was founded in 1852, incorporated in 1874, and became a charter city in 1923. The charter was amended in 1974 and the City operates under a Council-Manager form of government. The City Council is comprised of five members who are elected to alternating four-year terms staggered every two years. Beginning in November 2016, the Council elections moved from at-large elections to district-based elections. The Council selects two of its members to serve as Mayor and Vice Mayor for a two-year term. City Council is responsible for making policy, passing ordinances, adopting the budget, appointing committees, and hiring the City Manager and the City Attorney. The City Manager is responsible for carrying out the ordinances and policies of the City Council, overseeing operations, and appointing, with Council approval, the City’s department heads.

Types of Services

The City provides a full range of municipal services including those required by statute or charter. These services include Police, Fire, Planning, Building Safety, Successor Agencies to Redevelopment, Housing and

Letter of Transmittal

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2022

Economic Development, Wastewater Treatment and Collection, Storm Water Collection, Ground Water Recharge, Solid Waste, Streets, Parks, Traffic Safety, Transit, Airport, Recreation, Convention Center, Senior Center, Baseball Park, and General Administrative Services.

BUDGET

The City Council is required to adopt a budget by no later than the close of the prior fiscal year. This budget is prepared on a two-year basis and serves as the foundation for the City's fiscal planning and financial control. The budget is organized by departments (e.g., Community Development), by funds (e.g., Transportation), and by divisions (e.g., Planning). The City Manager may transfer appropriations within a fund, provided that the total appropriation is not increased.

The City's Capital Budget is considered as part of the City's Five-Year Capital Improvement Plan. The capital expenditures approved are the two years adopted in the budget.

ECONOMIC CONDITION

Fiscal year 2021-22 saw significant growth in all major revenue categories for Visalia, except for one, as prices for goods and services were greatly affected by high inflation that was occurring in the country as well as the continued economic rebound from the COVID-19 pandemic. The California consumer price index stood at 8.3% at the end of June 2022. Employment in the country remained strong as the national unemployment rate as of June 2022 was at 3.6%, below the natural unemployment rate of 4% that the Federal Open Market Committee likes to see.

Fiscal year 2021-22 ended the year with an overall increase of \$11.5 million in the total economic-sensitive revenue category for the General Fund as shown in [Table 1 – Economic Sensitive Revenues](#).

Table 1 - Economic Sensitive Revenues
(as shown in the Financial Statements)

Description	FY 20/21	FY 21/22	Increase Over	
			Prior Year	% Increase
Sales Tax	\$ 38,986,517	\$ 47,052,657	\$ 8,066,140	21%
Property Tax	27,884,766	29,725,873	1,841,107	7%
Transient Occupancy Tax	3,323,538	4,589,178	1,265,640	38%
Franchise Fees	2,795,357	3,155,645	360,288	13%
Business License	3,088,633	3,045,708	(42,925)	-1%
Total	\$ 76,078,811	\$ 87,569,061	\$ 11,490,250	15%

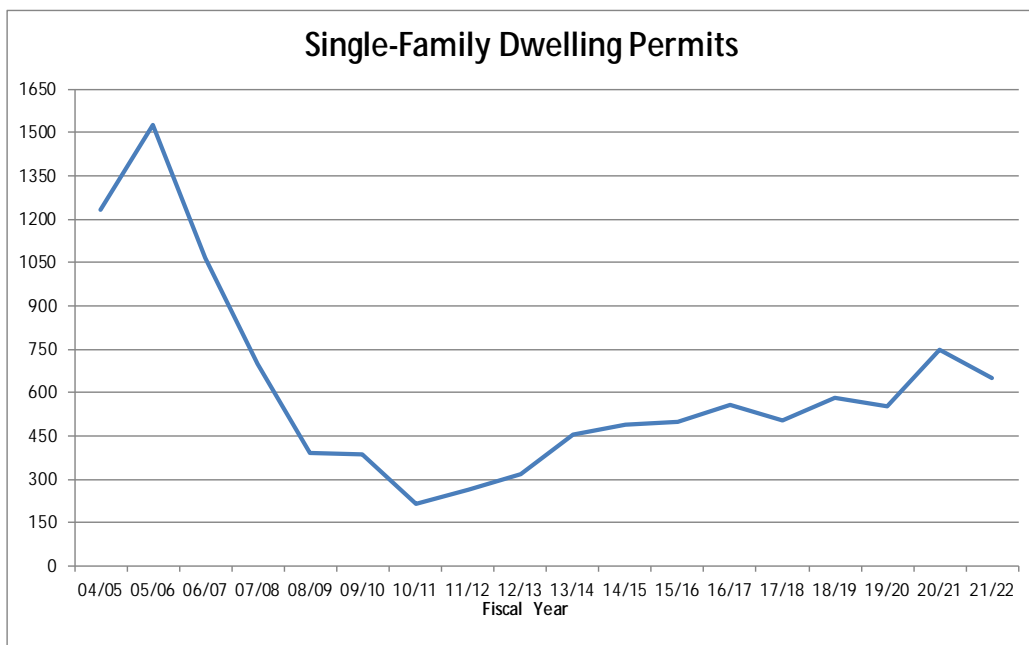
Sales Tax grew at 21% for fiscal year 2021-22, mainly due to the high inflation rate that occurred during the fiscal year as well as the new businesses that were opened. The main areas of the growth in Sales Tax for Visalia were in General Retail (department stores, apparel stores) which grew \$2.9 million; Business to Business (office equipment, industry) which grew \$1.3 million; Food Products (restaurants, food markets, liquor stores) which grew \$.9 million; and Transportation (auto sales, service stations) which grew \$.7

million. Property Tax continued its growth trend increasing 7% as existing houses sales, new development, and property values increased in Visalia. Travel remained a priority for people in fiscal year 2021-22 as Transient Occupancy Tax (TOT) revenue had an increase of 38% as compared to last year. Franchise Fee revenue increased 13% in fiscal year 2020-21 mainly due to increases in gas and electric revenue as the City continued to have new development as well as the utility companies increased fees to their customers. Business License revenue decreased slightly at -1% as compared to last year. Business License revenue was up more than normal *last year* as several businesses were remitting prior year delinquencies to bring their accounts current for fiscal year 2020-21 so that they were eligible for various COVID-19 relief programs.

Visalia has 12,953 licensed businesses operating in the City, a net increase of 448 as compared to last year. These businesses include private manufacturing, technology research, retail and service businesses, educational services, healthcare and social assistance, consulting, arts and entertainment, hospitality services, along with non-profit institutions.

Construction activity in the City increased 17% (based on number of all permits issued) in fiscal year 2021-22. The total valuation for all permits issued was \$610 million, a 29% increase from the prior year as the City added 2.5 million square feet of new commercial property and 4.2 million square feet of space overall. In terms of single-family dwelling permits, fiscal year 2021-22 had a decrease in construction activity compared to the prior year as can be seen in [Table 2 – New Single-Family Dwelling Permits Comparison](#). The new single-family dwelling permits issued were down from the prior year by 13%. The construction value for 652 new single-family dwelling permits came in at \$174 million, which was down 11% from the prior year valuation level.

Table 2 – New Single-Family Dwelling Permits Comparison



Overall, this construction activity drives the revenue collection in several categories and is an indicator of future activity for several other categories, such as property taxes, impact fees, and storm and sanitary sewer system fees.

DEVELOPMENT

The City of Visalia continued to see steady growth industrially, commercially, and in other developments throughout the community in fiscal year 2021-22.

Industrial Park Highlights

Caprock Partners is constructing a 1.13 million square foot building at 8817 West Kibler Avenue that will house another Amazon Distribution Center.

Kaweah Health will be building a new health clinic in the industrial park.

Pace International is expanding into a new 50,000 square foot facility at 7435 West Sunnyview Avenue.

Nammour's Inc. will be moving forward on a new 52,271 square foot facility at 8028 West Sunnyview Avenue. Nammour's supplies and offers various exceptional flooring options.

A new development is being proposed south of the MilliporeSigma building located south of Riggin Avenue and Kelsey Street. The new facility will be a 100,000 square feet industrial warehouse.

Seefried Industrial Properties have submitted their site plan for the next phase of their project adjacent to the Ace Hardware Distribution Center they have recently constructed at the southwest corner of Plaza Drive and Ferguson Avenue.

YS Holdings Inc. LLC has proposed to construct another 350,000 square foot building just east of their existing phase 1 development along Riggin Avenue and Clancy Street.

A new 141,000 square foot industrial project is being proposed along Goshen Avenue and west of Clancy Street. The complex will offer several leasable spaces.

A developer is proposing two new warehouse and distribution facilities at Hurley Avenue and Kelsey Street. One facility will be 1,375,000 square feet with the second being 725,000 square feet.

Pickett and Associates will be constructing three 12,225 square foot pre-manufactured metal buildings on Nevada Street, south of Goshen Avenue and west of Plaza Drive.

Other projects in the Industrial Park include:

- Serpa Packaging Solutions will be expanding their existing site by adding 15,000 square feet.
- Sorma USA, LyCon Rebuilding, and Pinnacle Pre-Mix have all submitted site plans for adding additional space at their existing facilities.

Business Research Park

The Business Research Park is in northwest Visalia adjacent to the Industrial Park and continues to add amenities.

Carmax plans to bring their no-haggle used car buying experience to the Visalia Auto Plaza located northwest of Highway 198 and Plaza Drive.

A new hotel, Home 2 Suites, will be constructing a new facility at 9027 West Crowley Avenue.

Mooney Boulevard

US Foods Chef Store opened up in the former Best Buy building east of Mooney Boulevard. Chef Store serves both professional chefs and home chefs alike offering great food at wholesale prices as well as equipment and supplies.

New 5,600 and 13,650 square foot medical offices as well as a new 3,500 square foot retail building with a drive-thru have been proposed in the Packwood Grove North center near the Surf-Thru Express Car Wash along Cameron Avenue.

Texas Roadhouse is currently under construction at 4425 South Mooney Boulevard. Texas Roadhouse is an American steakhouse that specializes in steaks in a Texan and Southwestern cuisine style.

Good Guys Tires and Auto Repair will be bringing their services to a new location at 1623 West Cameron Avenue.

Downtown Developments

Historic Downtown:

Family Healthcare Network continues its construction of a new two-story, 23,500 square foot facility at the corner of Bridge Street and School Avenue. Family Healthcare Network provides high quality health care to all with dignity and respect regardless of a person's ability to pay.

Family Healthcare Network has also opened a bookstore downtown. The goal of the store is to provide a place where local readers of all ages can gather and purchase books and supports the promotion of Family Healthcare Networks objective of early childhood literacy.

Soccer City is now open. Located at the former Johnson Pipe Supply building located at Goshen Avenue and Johnson Street, the indoor soccer facility features a new Visalia Microbrewery.

North Visalia

A new Costco with a gas station and car wash is being proposed in the Carleton Acres master planned development located at the northeast corner of Riggin Avenue and Shirk Street.

El Pollo Loco has opened a new restaurant at 636 Riggin Avenue.

Tractor Supply Company will be constructing a new facility at Orchard Walk West located at Dinuba Boulevard and Riggin Avenue. Tractor Supply Company will be a welcome addition to the area supplying products for home improvement, agriculture, lawn and garden maintenance, livestock, equine and pet care for recreational farmers and ranchers, pet owners, and landowners.

A permit has been issued for a new 6,595 square foot retail building located at 2926 North Dinuba Boulevard located near the ARCO gas station and Del Taco.

Pro-PT Physical Therapy will be bringing their rehabilitative services to the area with a new location at 2335 West Corvina Avenue. Pro-PT specializes in the evaluation and treatment of orthopedic injuries, sports-related injuries, and spine conditions, in addition to post-surgical care.

Other Locations

A new 101 room Marriott TownePlace Suites hotel is being proposed adjacent to the Holiday Inn Express near Adventure Park. TownePlace Suites is an extended stay lodging segment of the hospitality industry.

A new two-story medical office building is being proposed in the office park new the southeast corner of Noble Avenue and Akers Street off of Atwood Street. The medical office will house Dr. Paz Dermatology which provides dermatology care specializing in skin cancer treatment, cosmetic dermatology, and comprehensive treatment for all general dermatologic conditions.

A new permit has been issued for a new 58,656 square foot medical building located at 2300 West Sunnyside Avenue.

A permit has been issued for the construction of a new 5,590 square foot office building located at 5644 Avenue de Las Robles.

United Health Center is proposing a new site at the northwest corner of Chinowth and Mineral King. United Health Centers provide general and family medical care with the vision of improving the health and quality of life for the community.

RoofLine Supply and Delivery has moved into the former PrintXcel facility at 1424 East Tulare Avenue. RoofLine Supply and Delivery is one of the nation's leading distributors of roofing materials and building products.

A new permit has been issued for the construction of a new 7,900 square foot business building located at 225 East Caldwell Avenue. No tenant has been identified to date.

ONGOING CAPITAL PROJECTS

The City's Capital Improvement Program has a number of significant projects currently underway that will continue into fiscal year 2023 and beyond.

Caldwell Improvements - Akers to Shady Street

- The \$9 million project will widen Caldwell Avenue between Akers Street and Shady Street creating new transit pullouts and enhancing traffic flow.

Caldwell Improvements – Santa Fe to Lovers Lane

- The \$18.9 million project will widen Caldwell Avenue between Santa Fe and Lovers Lane converting it from an undivided two-lane road to a four-lane divided road with a median.

Downtown Street Light Project

- The \$9.1 million project will replace the downtown street light system to meet current standards as the existing street light system was installed in the 1930's.

Fire Station 56 Relocation

- This project will construct a new Fire Station 56 north of the current temporary station located at Lovers Lane and Walnut Avenue. Current station is leased from CAL FIRE through an agreement that will expire December 2023 and will not be renewed by CAL FIRE.

FINANCIAL CONDITION

Fiscal year 2021-22 had continued strong growth in the main General Fund revenue categories of Sales Tax, Property Tax, and Other Taxes, which consists of Transient Occupancy Tax and Franchise Fee revenue. It seems that consumers continued to put money into the economy in fiscal year 2021-22 possibly as a result of remaining funds available to them from COVID-19 pandemic relief received from both the Federal and State governments. Also contributing to the growth in revenues was the increase in inflation over the last year. The inflation rate in California was at 8.3% on June 30, 2022 and was high for most of the fiscal year averaging 6.70%. With careful management, the City was able to continue to provide service enhancements, infrastructure improvements, and increases in employee compensation. As shown in Table 3 – General Fund Statement of Revenues & Expenditures, the General Fund ended the year with a change in fund balance and surplus of \$15.70 million. Contributing to the surplus was not only the growth in the main General Fund revenue categories, but also in charges for services (engineering fees and recreation programs) as these fees were up \$2.1 million when compared to the prior year as development

activity continued to be active and we had a full year of recreation programs operating. Offsetting the large revenue growth this fiscal year, total expenditures were up \$4.7 million as compared to last year as we had increases in employee compensation of 4%, which also affects pension obligations, as well as increases in operating costs due to a full year’s operation of recreation programs and increases in most all other costs due to inflation.

Table 3 – General Fund Statement of Revenues & Expenditures
(in millions)

	General Fund FY 21/22	Emergency Reserve FY 21/22	Total FY 21/22
Revenues	\$ 97.36	\$ (0.49)	\$ 96.87
Expenditures	71.99	-	71.99
Over/(Under) Expenditures	\$ 25.37	\$ (0.49)	\$ 24.88
Other Financing Sources (Uses)	\$ (9.67)	\$ -	\$ (9.67)
Net Change in Fund Balance	\$ 15.70	\$ (0.49)	\$ 15.21
Surplus before Transfers to Emergency Reserve and Civic Center Fund	\$ 15.70	\$ (0.49)	\$ 15.21
Transfer surplus to Emergency Reserve Fund*	\$ (1.48)	\$ 1.48	\$ -
Transfer surplus to Civic Center Fund*	(14.22)		(14.22)
Total	<u>\$ -</u>	<u>\$ 0.99</u>	<u>\$ 0.99</u>

*Note - Per the March 19, 2018 Emergency Reserve Policy, all surpluses will be deposited into the General Fund Emergency Reserve until it reaches 25% of operating expenditures. Any remaining surplus is to be transferred into the Civic Center Fund.

This is the ninth consecutive year that the General Fund has ended the year with a surplus. However, we must remember that the balance between revenues and expenditures in the General Fund can be volatile from year to year. The City must continue to monitor increasing operating costs (i.e., rising pension costs, health, technology), the economy for a possible downturn (recession) due to continued high inflation rates as well as the ending of COVID-19 stimulus packages, and continue to seek new opportunities to increase tax base revenues to maintain fiscal sustainability.

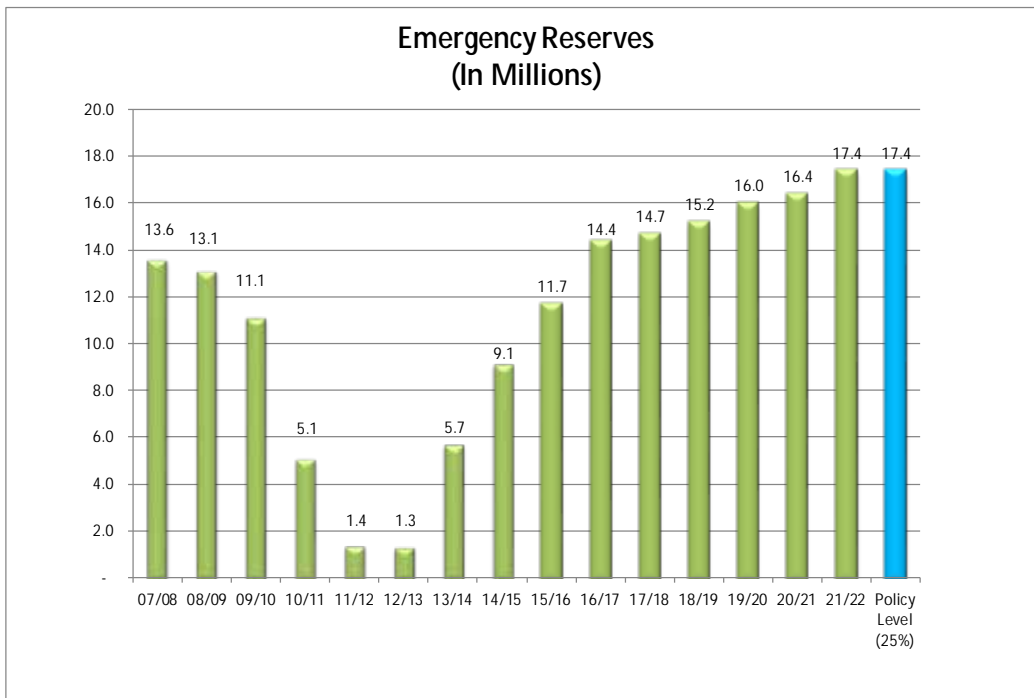
In June 2022, the City Council adopted a balanced biennial budget for fiscal years 2022-2023 and 2023-2024. The biennial budget focused on the following goals:

- Maintain quality of life for Citizens;
- Maintain financial stability by continuing to be conservative with revenues and expenditures;

- Continue to improve infrastructure and replace capital;
- Enhance City services by efficiently adding staff, programs, and technology; and
- Facilitate and promote economic development.

Both fiscal years budgets project a surplus for the General Fund. As per Council's direction, any surplus will be first transferred to the Emergency Reserve to maintain a balance of 25% of General Fund operating expenditures. Any remaining surplus will be transferred to the Civic Center Fund. Table 4 - General Fund Emergency Reserves shows the usage of the reserves during the great recession and the efforts to replenish and maintain the reserves.

Table 4 – General Fund Emergency Reserves



The City has met City Council's goal of funding the Emergency Reserves with a balance of 25% of General Fund operating expenditures for fiscal year 2021-22. For this fiscal year, a transfer from the General Fund's surplus of \$1,483,134 was needed to continue to meet Council's 25% Emergency Reserve Policy. This is the sixth year in a row that this policy has been met.

MEASURE N

Fiscal year 2021-22 was the fifth full year of operation of Measure N, the City of Visalia's half-cent Essential City Services Measure which provides additional funding for public safety, maintenance for streets, parks, trail ways, and City facilities. Sales Tax proceeds received for the year totaled \$19.7 million; \$8.0 million more than budgeted for the year. As of June 30, 2022, Measure N had enabled the City to fund 24 police officers, 2 community service officers, 2 police technicians, 2 police records specialists, 1 urban forest

employee, 2 park maintenance employees, 1 Battalion Chief, 1 Fire Captain, 1 EMS coordinator, 3 paramedics and 6 parks and recreation hourly employees. Major purchases in this fiscal year include the purchase of 3 Dodge Chargers. In addition, the City contributed \$3.3 million in road rehabilitation due to Measure N funding.

BOND RATING

The City's current general obligation credit ratings are A+ from Standard & Poor's ("S&P"). The ratings continue to reflect the diversity of the local economy anchored by a strong business presence, sound financial management and prudent budgetary practices.

AWARDS

The Government Finance Officers Association ("GFOA") awarded its Certificate of Achievement for Excellence in Financial Reporting to the City for its ACFR for the fiscal year ended June 30, 2021. To qualify for the Certificate of Achievement, the governmental entity must publish an easily readable and efficiently organized ACFR, the contents of which conform to program standards. Such report must satisfy accounting principles generally accepted in the United States of America, as well as all applicable legal requirements.

The Certificate of Achievement is valid for only one year. The City believes this ACFR continues to conform to the Certificate of Achievement Program requirements and will be submitting it to GFOA for consideration of the annual award.

ACKNOWLEDGMENTS

The preparation of this ACFR represents a team effort by the entire staff of the Finance Department. Sincere appreciation goes to Finance Manager Jason Montgomery and Financial Analyst Kari Williams. They demonstrated personal determination and dedicated many long days of focused attention to produce this document. The City also recognizes the contributions and positive working relationship with The Pun Group, LLP.

Finally, we wish to express our sincere appreciation to the Mayor and City Council for providing policy direction and a firm foundation of support for the pursuit of excellence in all realms of professional endeavors, especially their role in guiding the City to a secure financial condition that assures resources are available to provide core services to the community.

Respectfully submitted,



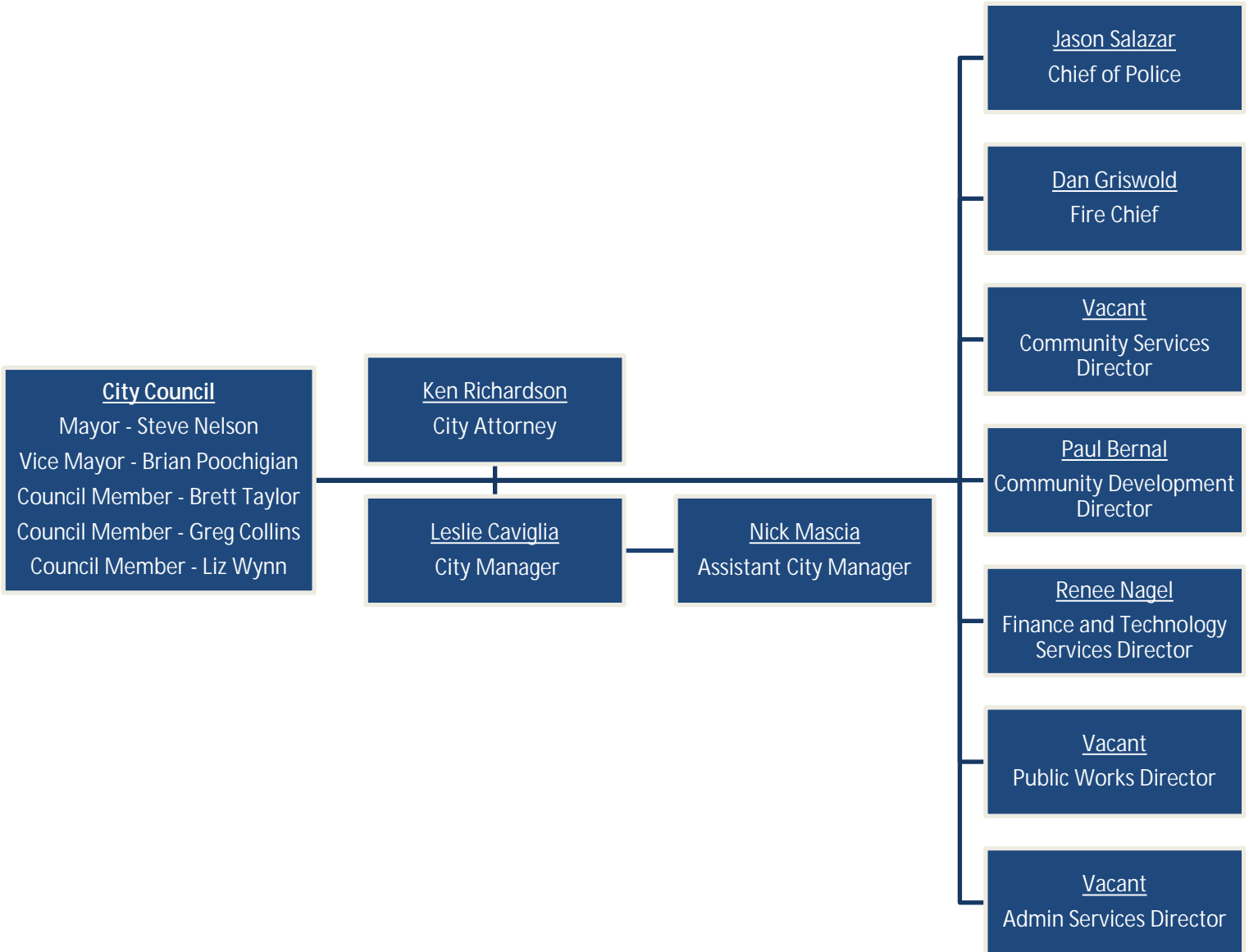
Leslie B. Caviglia
City Manager



Renee Nagel
Finance Director

Organizational Chart

City of Visalia – Comprehensive Annual Financial Report For Year Ended June 30, 2022



As of June 30, 2022



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Visalia
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO



Financial Section

Financial Section





INDEPENDENT AUDITORS' REPORT



To the Honorable Mayor and the Members of the City Council
of the City of Visalia
Visalia, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Visalia, California (the "City") as of and for the year ended June 30, 2022, and the related notes to the basic financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major funds, and the aggregate remaining fund information of the City, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

Change In Accounting Principle

As discussed in Note 1N to the basic financial statements, the City adopted new accounting guidance, Governmental Accounting Standards Board ("GASB") Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Prior Period Adjustments

As discussed in Note 14 to the basic financial statements, certain amounts were restated due to corrections of errors recorded in the past. Our opinions are not modified with respect to these matters.



To the Honorable Mayor and the Members of the City Council
of the City of Visalia
Visalia, California
Page 2

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and budgetary comparison schedules, the Schedule of Changes in Net Pension Liability and Related Ratios, the Schedules of Contributions – Pensions be presented to supplement the basic financial statements as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

To the Honorable Mayor and the Members of the City Council
of the City of Visalia
Visalia, California
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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 24, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "The PwC Group, LLP". The signature is written in a cursive, flowing style.

Santa Ana, California
January 24, 2023

**CITY OF VISALIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FISCAL YEAR ENDING JUNE 30, 2022**

The Governmental Accounting Standards Board (GASB) Statement No. 34 Government-wide statements present a combined picture of the City of Visalia (the City) on a full accrual basis of accounting, where all debt and assets are included in the presentation. Conversely, the Fund level statements present a picture that is based on a modified accrual basis of accounting, where long-term assets and debt are excluded. Thus, Government-wide and Fund level presentations produce different results based on the type of accounting basis used. Please read this document in conjunction with the accompanying Transmittal Letter and the Basic Financial Statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's Basic Financial Statements which have three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the financial statements

This Annual Comprehensive Financial Report also contains Supplemental Information which includes combining statements for Non-major Governmental, Internal Service and Fiduciary Funds, Measure T Agreed Upon Procedures Audit, Measure N Agreed Upon Procedures Audit, Bond Disclosure Requirements, as well as a Statistical Section.

Government-wide Financial Statements

The *Government-wide Financial Statements* are designed to provide a broad overview of all of the City's finances taken as a whole, using a long-term view, in a manner similar to private-sector businesses.

The ***Statement of Net Position*** presents financial information on all the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between the four reported as net position. The full accrual basis of accounting is used; thus the flow of all economic resources are measured.

The ***Statement of Activities*** presents financial information reporting how the City's net position changed during the fiscal year by listing the revenues and expenses of each of the City's major activities. The full accrual basis of accounting is also used, thereby all changes to net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in a future fiscal period.

All of the City's activities are grouped into either Governmental Activities (those functions that are principally supported by taxes or by specific governmental program revenues such as developer fees) or into Business-type Activities (whose services are supported by charges paid by direct users of the service such as Solid Waste collection). All of the amounts in both of the Statement of Net Position and the Statement of Activities are segregated into Governmental Activities and Business-type Activities to provide a summary of these City activities. The City's **Governmental Activities** include general government, community development, police, fire, public works, housing & community grants and community services. The City's **Business-type Activities** include the convention center, airport, water reclamation facility, storm sewer maintenance, solid waste, transit, building safety, and animal control.

The City's Government-wide Financial Statements include not only the City itself (referred to as the primary government) but also the Visalia Public Finance Authority, which is financially accountable to the City and is blended into these financial statements.

Fund Financial Statements

The Fund Financial Statements are designed to report information about related accounts that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the City's funds are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

The Fund Financial Statements provide detailed information about each of the City's most significant funds called Major Funds which include the General Fund, Measure N Fund, Housing & Community Grants Fund, Housing Successor Agency Fund, American Rescue Plan Fund, Transportation Fund, and Civic Center Fund (detail on pages 34-41). Major funds account for the major financial activities of the City and are presented individually, while the activities of the Non-major funds are presented in summary as Other Governmental Funds. Non-major funds include Special Revenue Funds such as Measure T, Measure R and Transportation Grants; Debt Service Funds such as VPFA 2014 Refunding COP and 2015 COP; and Capital Projects Funds such as Government Facilities Impact Fee, and Facility Improvements Fund (detail on pages 130-161). Subordinate schedules of the Non-major funds present detailed financial information for the City's smaller funds.

Governmental Funds: Governmental funds are prepared on the modified accrual basis of accounting, which means they measure only current financial resources and uses. This basis focuses on (1) how cash and other financial assets can be readily converted to available resources and (2) the balances left at year-end that are available for spending. Such information may be useful in determining what financial resources are available in the near future to finance the City's programs. Capital assets and other long-lived assets along with long-term liabilities are not presented in the Governmental Fund Financial Statements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with the similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City follows Governmental Accounting Standards Board (GASB) Statement No. 54. In the Fund financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned or unassigned. Each of these components of fund balance is classified based primarily on the extent to which the City is bound to honor constraints on how specific amounts can be spent.

1. Nonspendable Fund Balance – amounts that are inherently nonspendable such as long-term receivables.
2. Restricted Fund Balance – amounts that have externally enforceable limitations on use that are either imposed by law or constrained by grantors, contributors, or laws and regulations of other governments.
3. Committed Fund Balance – amounts that can only be used for specific purposes determined by resolution of the City's highest level of decision-making authority, the City Council. These committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use through a resolution. The resolution must occur prior to the end of the reporting period; however, the amount can be determined subsequently.

Management Discussion and Analysis

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2022

4. Assigned Fund Balance - amounts that are constrained by the City's *intent* to be used for specific purposes, but are neither restricted nor committed, should be reported as assigned fund balance. The intent can be expressed by the City Council itself or by an official to which the governing body has delegated the authority.
5. Unassigned Fund Balance - the residual positive net resources of the General Fund in excess of what can properly be classified in one of the other four categories. This amount is reported only in the General Fund except in cases of negative fund balance. Negative fund balances in other governmental funds are reported as Unassigned Fund Balance.

The City Council establishes, modifies, or rescinds fund balance commitments by passage of an ordinance or resolution. This is done through the adoption of the budget and subsequent budget amendments that occur throughout the year. Assignments may be established and modified by the City Council, City Manager, or Finance Director.

The accounting policies of the City consider restricted fund balance to have been spent first when expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the City considers committed amounts to be reduced first, followed by assigned amounts and then unassigned amounts.

This Fund Balance policy was established by the City Council on June 20, 2011.

Proprietary Funds: Proprietary funds are generally used to account for services for which the City charges customers – either citizens (e.g., Enterprise funds) or departments of the City (e.g., Internal Service funds). Proprietary funds provide the same type of information as shown in the government-wide financial statements only in more detail. Proprietary funds are prepared on the full accrual basis of accounting and include all of their assets and liabilities, current and long-term.

- **Enterprise Funds** are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for the Water Reclamation Facility, Storm Sewer Maintenance, Solid Waste, and Transit which are considered to be major funds of the City and Convention Center, Airport, Building Safety, and Animal Control which are considered to be non-major Funds of the City.
- **Internal Service Funds** are used to report activities that provide certain supplies and services only to City programs and activities. The internal service funds are combined into a single, aggregated total presented in the Fund Level proprietary fund financial statements. Subordinate Internal Service fund schedules that provide individual fund financial data in the form of combining statements are also contained in this report. Internal service's revenues are eliminated in the City-wide financial statements and any related profits or losses are returned to the activities which created them. Because these services predominantly benefit governmental rather than business-type functions, the residual net position of these funds has been included within governmental activities in the government-wide financial statements. The City uses internal service funds to account for Fleet Services, Vehicle Replacement, Information Services, Risk Management, Health Benefits, Compensated Absences and Building Maintenance.

Fiduciary Funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the City. The City's fiduciary activities are reported in the Statement of Fiduciary Net Position included in the Basic Financial Statements. For the City of Visalia, seven fiduciary funds are maintained: the Property and Business Improvement District #5 (for Downtown Visalians & Alliance), the Village West Improvement District, the Orchard Walk

Management Discussion and Analysis

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2022

Underground Utilities District, the Atwood Assessment District, the Laura Assessment District, Visalia Tourism & Marketing District, and the Visalia Redevelopment Successor Agency.

Notes to the Financial Statements

The notes to the financial statements provide additional financial information that is essential for a full understanding of the data provided in the Government-wide and Fund Financial Statements.

FINANCIAL HIGHLIGHTS

Visalia’s population increased to 142,091 an increase of 2.0% this past fiscal year. The California Department of Finance adjusted the prior year figure from 139,254 to 141,279. The California Consumer Price Index for All Urban Consumers was at 8.3% as of June 30, 2022. The major factors driving the City’s governmental financial results this fiscal year are the following:

- Increased Sales Tax Revenues of \$11.2 million, up 16% from last year which includes growth in general sales tax of \$8.1 (21%) million in the General Fund, an increase of \$2.8 (17%) million in Measure N and an increase in Measure T sales tax of \$1.4 (17%) million. Measure R sales tax revenues had a decrease of \$1.1 (17%) million as funding for projects in those funds were received due to a portion of the revenues received is bases on project reimbursement.
- Increased property taxes of \$1.8 million, up 7% from last year.
- Increased in government wide Charges for Services of \$7.8 million, up 30% from last year with the majority of the increases in impact fee revenue from residential, industrial, and commercial fees.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (FINANCIAL ACTIVITIES OF THE CITY AS A WHOLE)

Government-wide Statements

Table 1, Government-wide City Totals, summarizes the Government-wide financial activity for this past year.

Table 1
Government-wide City Totals
(in millions)

	FY 21-22	FY 20-21 *	Increase (Decrease)	
			\$	%
Assets	\$ 1,299.1	\$ 1,218.5	\$ 80.6	7%
Deferred Outflows of Resources	20.6	25.3	(4.7)	-19%
Liabilities	253.1	298.1	(45.0)	-15%
Deferred Inflows of Resources	51.8	12.2	39.6	325%
Net Position	1,014.8	933.5	81.3	9%
Revenues	256.5	244.3	12.2	5%
Expenses	175.2	173.9	1.3	1%

* As restated due to prior period adjustments and the implementation of GASB 87.

- The City’s Total Assets increased by \$80.6 million (7%) during the current fiscal year mainly due to increases in cash and investments of \$79.7 million, accounts receivable of \$6.8 million, interest receivable

Management Discussion and Analysis

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2022

of \$0.3 million and notes and loans receivable of \$1.1 million. Decreases in Total Assets included taxes receivable of \$1.1 million, due from other governmental units of \$2.5 million, and capital asset changes of \$3.7 million. The overall decrease in capital assets includes additions, deletions, depreciation, and amortization comprised of increases of \$2.3 million in vehicles and equipment, \$1.7 million in buildings, \$1.5 million in construction in progress and as well as decreases of \$0.2 million in land, \$3.0 million in infrastructure, and \$6.0 million in improvements.

- The City's Deferred Outflows of Resources decreased by \$4.7 million (19%) due to annual adjustments by CalPERS for GASB 68 recording of deferred pensions.
- The City's Liabilities decreased by \$45.0 million (15%) during the current fiscal year. This was mainly due to decreases in net pension liability of \$58.7 million, scheduled debt service payments of \$3.7 million, and self-insurance claims of \$0.8 million in combination with increases for unearned revenue of \$14.2 million, of which \$14.7 million is American Rescue Plan funds received in fiscal year 21-22, liability for payables of \$3.6 million, customer deposits of \$0.8 million, and advances from grantors and third parties of \$0.4 million.
- The City's Deferred Inflows of Resources increased by \$39.6 million due to an increase in pension related activity of \$40.1 million for the annual adjustments by CalPERS for GASB 68 and a decrease in lease related activity of \$0.5 million.
- The City's Total Net Position (assets and deferred outflows of resources exceeding its liabilities and deferred inflows of resources) were \$1,014.8 million as of June 30, 2022.
- The City's Total Revenues, including program and general revenues, were \$256.5 million for fiscal year 2021-22, an increase of \$12.2 million (5%) from last year, while total City expenses were \$175.2 million, an increase of \$1.7 million (1%) from last year. The revenue increase is due to a combination of increases in tax revenue of \$14.7 million, miscellaneous revenue of \$1.7 million, and charges for services of \$16.1 million in combination with decreases in grants and contributions of \$7.8 million, transfers of \$0.2 million, and investment loss of \$12.4 million due to a significant decrease in the fair market value of the investments held at June 30, 2022 as the City had unrealized investment losses in accordance with GASB 31. Per GASB 31, the City must annually adjust their investment holdings to fair market value as of June 30. The offset from the adjustment is to investment earnings. This is an unrealized loss and any adjustment will be recovered at the maturity of the investments.
- Revenues can be divided between Program Revenues related to work activities and General or Tax Revenues. For fiscal year 2021-22, Program Revenues were \$139.7 million (revenues derived from specific activities) and General Revenues (e.g., taxes and investment earnings) were \$116.8 million. These same revenues can be classified as either Governmental activity revenues or Business-type activity revenues. For fiscal year 2021-22, Governmental activity revenues and Business-type activity revenues were \$165.3 million (64.4%) and \$91.2 million (35.6%), respectively.
- Expenses for governmental activities and for business-type activities were \$96.9 million (a 3.6% decrease from last year) and \$78.3 million (a 7.2% increase from last year), respectively.

Analysis of Governmental Net Position

The City's governmental assets are shown in [Table 2, Governmental Net Position](#). These assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$585.6 million. The largest portion of the net position, \$344.3 million (59%), is Net Investment in Capital Assets (net of debt to acquire those

Management Discussion and Analysis

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2022

assets). The remaining portions of the City’s net position are: \$159.7 million (27%) represents resources that are subject to restrictions and the remaining \$81.6 million (14%) being unrestricted.

Table 2
Governmental Net Position
(in millions)

	FY 21-22	FY 20-21 *	Increase (Decrease)	
			\$	%
Assets				
Cash and Investments	\$ 299.8	\$ 230.9	\$ 68.9	30%
Current and Other Assets	73.5	70.7	2.8	4%
Adv. To Other Funds & Internal Balances	2.6	3.0	(0.4)	-13%
Capital Assets, Net of Accum. Deprec.	353.5	352.0	1.5	0%
Total Assets	729.4	656.6	72.8	11%
Deferred Outflows of Resources				
Pensions	16.8	20.9	(4.1)	-20%
Total Deferred Outflows of Resources	16.8	20.9	(4.1)	-20%
Liabilities				
Other Liabilities	48.2	31.9	16.3	51%
Long-Term Obligations	75.7	123.4	(47.7)	-39%
Total Liabilities	123.9	155.3	(31.4)	-20%
Deferred Inflows of Resources				
Pensions	34.7	3.0	31.7	1057%
Leases	2.0	2.1	(0.1)	100%
Total Deferred Inflows of Resources	36.7	5.1	31.6	620%
Net Position				
Net Investment in Capital Assets	344.3	341.8	2.5	1%
Restricted	159.7	130.7	29.0	22%
Unrestricted	81.6	44.6	37.0	83%
Total Net Position	\$ 585.6	\$ 517.1	\$ 68.5	13%

* As restated due to prior period adjustments, implementation of GASB 87 and an error in the ACFR.

- *Cash and Investments* of \$299.8 million increased \$68.9 million from last year mainly due to an increase in tax and grant revenues, receipt of American Rescue Plan funds, and revenues exceeding expenses for the year.
- *Capital Assets, Net of Accumulated Depreciation* totaling \$353.5 million are categorized in [Table 8, Capital Assets, Net of Accumulated Depreciation & Amortization](#).
- *Deferred Outflows of Resources* of \$16.8 million decreased \$4.1 million due to the annual adjustments by CalPERS for GASB 68 recording of deferred pensions.
- *Long-Term Obligations* totaling \$75.7 million is comprised of Net Pension Liability, Certificates of Participation, government loans, lease liabilities, and compensated absences. There were \$0.9 million in long term debt payments made by the City during the year and \$0.1 million in lease payments. Compensated Absences increased \$0.2 million. The Net pension liability adjustments decreased by \$46.9 million. See the accompanying *Notes to Basic Financial Statements, Note 7 – Long-Term Debt* and *Note 10 – Employee Benefits* for further detail.
- *Deferred Inflows of Resources* of \$36.7 million is comprised of increases of \$31.6 million. Increases were mainly due to the annual adjustments by CalPERS for GASB 68 recording of pensions of \$31.7 million offset by a decrease in leases of \$0.1 million as lease revenue was recognized.

Management Discussion and Analysis

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2022

- *Net Position–Net Investment in Capital Assets* of \$344.3 million represents the City’s capital assets less accumulated depreciation and amortization and any debt used to finance its construction or purchase.
- *Restricted Net Position* of \$159.7 million is primarily found in Capital Projects funds which have been restricted for related capital projects.
- *Unrestricted Net Position* of \$81.6 million is the remaining part of the assets. Of this amount, \$53.8 million is the General Fund’s net position. Of the General Fund’s portion, all but \$6.7 million is either nonspendable (\$1.6 million), committed (\$17.6 million) or assigned (\$27.9 million). Additional information on the General Fund’s Fund Balance can be found in the Statistical Section (pages 188-189).

Analysis of Changes in Governmental Net Position

Governmental activities are summarized on [Table 3, Changes in Governmental Net Position](#), showing that during fiscal year 2021-22 the City’s net position increased by \$68.5 million.

Table 3
Changes in Governmental Net Position
(in millions)

	<u>FY 21-22</u>	<u>FY 20-21 *</u>	<u>Increase (Decrease)</u>	
			<u>\$</u>	<u>%</u>
REVENUES				
Program Revenues:				
Charges for Services	\$ 33.7	\$ 25.9	\$ 7.8	30%
Operating Grants & Contributions	6.3	6.1	0.2	3%
Capital Grants & Contributions	10.6	12.1	(1.5)	-12%
General Revenues:				
Taxes				
Sales	82.1	70.9	11.2	16%
Property	29.8	27.9	1.9	7%
Other	10.7	9.3	1.4	15%
Investment Earnings	(5.3)	1.3	(6.6)	-508%
Miscellaneous	1.2	1.0	0.2	20%
Total Revenues	<u>169.1</u>	<u>154.5</u>	<u>14.6</u>	9%
EXPENSES				
General Government	2.2	7.3	(5.1)	-70%
Community Development	(3.9)	2.7	(6.6)	-244%
Housing & Community Grants	2.2	2.8	(0.6)	-21%
Police	41.1	44.4	(3.3)	-7%
Fire	20.3	19.7	0.6	3%
Public Works	19.7	12.2	7.5	61%
Community Services	14.8	11.3	3.5	31%
Interest on Long-Term Debt	0.4	0.4	-	0%
Total Expenses	<u>96.8</u>	<u>100.8</u>	<u>(4.0)</u>	-4%
Increase (Decrease) in Net Position				
Before Transfers	72.3	53.7	18.6	35%
Transfers				
Total Transfers	<u>(3.8)</u>	<u>(4.0)</u>	<u>(0.2)</u>	-5%
Increase (Decrease) in Net Position				
Net Position at Beg. of Year, as Restated	<u>517.1</u>	<u>467.4</u>	<u>49.7</u>	11%
Net Position at End of Year	<u>\$ 585.6</u>	<u>\$ 517.1</u>	<u>\$ 68.5</u>	13%

* As restated due to prior period adjustments.

Total governmental revenues of \$169.1 million, increased by \$14.6 million (9%) and total governmental expenses of \$96.8 million, decreased by \$4.0 million (4%) when compared to last year. The most significant revenue changes were the increases in sales taxes of \$11.2 million (16%), property tax of \$1.9 million (7%), charges for services of \$7.8 million (30%) and operating grants & contributions of \$0.2 million (3%) with decreases in investment earnings of \$6.6 million due to the significant fair market value adjustment to investments held at June 30, 2022 in accordance with GASB 31, and capital grants & contributions of \$1.5 million. Expenditures had decreases seen in General Government of \$5.1 million (70%), Community Development of \$6.6 million (244%), Housing & Community Grants of \$0.6 million (21%), Police of \$3.3 million (7%), with increases in Fire of \$0.6 million (3%) Public Works of \$7.5 million (61%), and Community Services of \$3.5 million (31%). The large decrease in Community Development expenses this fiscal year was a result of a correction to the way the City allocates the GASB 68 pension adjustments.

PROGRAM REVENUES

Charges for Services

These charges increased \$7.8 million or 30% as compared to the prior year. The increase was mainly due to increased impact fee revenue for residential, industrial, and commercial fees.

Grants (Operating & Capital) & Contributions

The combined income from operating and capital grants and contributions decreased this year, down from last year by \$1.3 million, for a total of \$16.9 million.

GENERAL REVENUES

- **Sales Tax** - Sales tax increased \$11.2 million from last year with increases in the general fund of \$8.1 million, Measure N of \$2.8 million, Measure T of \$1.4 million offset with a decrease in Measure R sales tax revenues of \$1.1 million as funding for projects in those funds were received on a reimbursement basis. Measure N, Measure T, and Measure R are voter approved sales tax overrides whereas Measure N helps fund essential City services, Measure T public safety, and Measure R regional, local transit, bike, and pedestrian projects. The current year overall sales tax total is \$82.1 million.
- **Property Taxes** - Property tax revenues increased \$1.9 million (7%) over last year currently totaling \$29.8 million.
- **Investment Earnings** - Investment earnings decreased \$6.6 million over last year due to the significant fair market value adjustment to investments held at June 30, 2022 in accordance with GASB 31; offset by a slight increase in interest earnings due to higher earnings rates as compared to the prior year.

EXPENSES

- **General Government** - There were \$2.2 million in expenses, a decrease of \$5.1 million (70%) as compared to last year which was mainly due to decreases in the annual GASB 68 pension adjustments of \$3.7 million, services provided of \$0.4 million, interest expense of \$0.4 million, one-time COVID expenses of \$0.6 million reported last year, and an increase in depreciation expense of \$0.1 million.
- **Community Development** - There were \$-3.9 million in expenses, a decrease of \$6.6 million (244%) as compared to last year mainly due to decreases to the annual GASB 68 pension adjustment of \$7.7 million as the City made a correction to the way it allocates the GASB 68 pension adjustments this fiscal year. The offset to the decrease were increases in services provided of \$0.2 million, salaries and benefits of \$0.4 million, and capital expenses of \$0.3 million.

- **Housing & Community Grants** – There were \$2.2 million in expenses, a decrease of \$0.6 million (21%) compared to last year which was mainly due to decreases in program activity.
- **Police** - There were \$41.1 million in expenses, a decrease of \$3.3 million (7%) as compared to last year which was mainly due to decreases in the annual GASB 68 pension adjustment of \$6.1 million as strong investment returns helped reduce the net pension liability for the measurement year. This decrease was offset partially by an increase in salaries and benefits of \$2.3 million as a result of wage increases and one-time wage lump sum payment/bonus.
- **Fire** - There were \$20.3 million in expenses, an increase of \$0.6 million (3%) as compared to last year which was mainly due to decreases in the annual GASB 68 pension adjustment of \$1.0 million as strong investment returns helped reduce the net pension liability for the measurement year. This decrease was offset partially by an increase in salaries and benefits of \$1.8 million as a result of wage increases and one-time wage lump sum payment/bonus .
- **Public Works** - There were \$19.7 million in expenses, an increase of \$7.5 million (61%) as compared to last year which was mainly due to increases in capital related activity and projects of \$7.7 million, services provided of \$0.2 million, depreciation of \$0.4 million, salaries and benefits of \$0.6 million as a result of wage increases and one-time wage lump sum payment/bonus, and a decrease in the annual GASB 68 pension adjustments of \$1.5 million as strong investment returns helped reduce the net pension liability for the measurement year.
- **Community Services** - There were \$14.8 million in expenses, an increase of \$3.5 million (31%) as compared to last year which was mainly due to an increase in the annual GASB 68 pension adjustments of \$2.3 million as strong investment returns helped reduce the net pension liability for the measurement year and an increase in salaries and benefits of \$1.1 million as a result of wage increases and one-time wage lump sum payment/bonus.
- **Interest on Long-Term Debt** - There was \$0.4 million in interest expense for fiscal year 2021-22. Scheduled principal payments were made on Certificates of Participation and bank notes. The 2014 COP has a maturity date of 2025 and the 2015 COP has a maturity date of 2029. As the City approaches the maturity, the annual debt payment goes towards interest less and more towards the principal.

Analysis of Business-Type Net Position

The City's business-type net position, shown in [Table 4, Business-Type Net Position](#), exceeded liabilities by \$429.2 million. The largest portion of the net position, Net Investment in Capital Assets, is \$276.5 million (64%). Resources that are subject to restrictions total \$11.0 million (3%). The remaining balance of \$141.7 million (33%) represents unrestricted net position.

Table 4
Business-Type Net Position
(in millions)

	FY 21-22	FY 20-21 *	Increase (Decrease)	
			\$	%
Assets				
Cash and Investments	\$ 174.4	\$ 163.5	\$ 10.9	7%
Current and Other Assets	26.2	25.0	1.2	5%
Internal Balances	(2.6)	(3.0)	0.4	-13%
Capital Assets	371.7	376.4	(4.7)	-1%
Total Assets	<u>569.7</u>	<u>561.9</u>	<u>7.8</u>	1%
Deferred Outflows of Resources				
Deferred Pensions	3.8	4.4	(0.6)	-14%
Total Deferred Outflows of Resources	<u>3.8</u>	<u>4.4</u>	<u>(0.6)</u>	-14%
Liabilities				
Other Liabilities	11.6	9.8	1.8	18%
Long-Term Debt Outstanding	117.6	133.0	(15.4)	-12%
Total Liabilities	<u>129.2</u>	<u>142.8</u>	<u>(13.6)</u>	-10%
Deferred Inflows of Resources				
Deferred Pensions	9.0	0.6	8.4	1400%
Deferred Leases	6.1	6.5	(0.4)	100%
Total Deferred Inflows of Resources	<u>15.1</u>	<u>7.1</u>	<u>8.0</u>	113%
Net Position				
Net Investment in Capital Assets	276.5	277.3	(0.8)	0%
Restricted	11.0	12.8	(1.8)	-14%
Unrestricted	141.7	126.3	15.4	12%
Total Net Position	<u>\$ 429.2</u>	<u>\$ 416.4</u>	<u>\$ 12.8</u>	3%

* As restated due to prior period adjustments and the implementation of GASB 87.

- **Cash and Investments** increased \$10.9 million (7%), as these funds are accumulating cash for capital projects and scheduled debt payments. Increases included funds in Water Reclamation Facility of \$4.0 million, Solid Waste of \$3.5 million, Transit of \$0.7 million, Building Safety of \$1.8 million, Airport of \$0.8 million and Convention Center of \$0.2 million with a decrease in and Storm Sewer Maintenance of \$0.1 million.
- **Current and Other Assets** totaled \$26.2 million for the fiscal year, an increase of \$1.2 million (5%). Accounts receivable had an overall increase of \$1.5 million and lease receivables had a decrease of \$0.3 million.
- **Capital Assets** totaled \$371.7 million for the fiscal year, a decrease of \$4.7 million (1%) compared to the prior year. Construction in progress had a decrease of \$4.2 million and buildings had an increase of \$4.3 million as the airport hangar project was capitalized. Improvements other than buildings had an increase of \$0.3 million. Machinery, Equipment and Vehicles had additions and retirements which mainly consisted of additions of five new refuse trucks in Solid Waste of \$1.5 million, building surveillance system and two ice machines for the Convention Center of \$0.1 million, four high flow rate pumps, RPGS equipment, lab equipment, one excavator, and an aeration blower in Wastewater of \$0.9 million, and four passenger busses and two trailers in Transit of \$4.1 million offset by retirements which included twenty-four refuse trucks, two trailers and a forklift in Solid Waste of \$5.6 million and one CCTV Van with camera equipment in Wastewater of \$0.1 million. Infrastructure increased by \$1.1 million which includes Storm Sewer lines and Sanitary Sewer lines. Accumulated depreciation and amortization increased by \$6.2

million as assets were depreciated for the year. See Table 8, Capital Assets, Net of Accumulated Depreciation below for additional detail.

- **Deferred Outflows of Resources** totaled \$3.8 million for the fiscal year, a decrease of \$0.6 million (14%). The decrease is due to the GASB 68 annual adjustment.
- **Long-Term Debt** totaling \$117.6 million is composed of Net Pension Liability, Certificates of Participation, Capital Lease, Clean Water State Revolving Fund Loan, and Compensated absences. Regularly scheduled payments of \$3.6 million and adjustments to the Net Pension Liability of \$11.8 million resulted in a net decrease in long term debt of \$15.4 million. See the accompanying *Notes to Basic Financial Statements, Note 7- Long-Term Debt, and Note 10 Employee Benefits* for further detail.
- **Deferred Inflows of Resources** totaled \$15.1 million for the fiscal year, an increase of \$8.0 million (113%). The increases include Deferred Pensions of \$8.4 million due to the GASB 68 annual adjustment and a decrease in Deferred Leases of \$0.4 million due to lease activity.
- **Net Position – Net Investment in Capital Assets** totaling \$276.5 million represents capital assets less accumulated depreciation and net of any debt used to finance its construction or purchase. This is a \$0.8 million decrease as compared to last year.
- **Restricted Net Position** of \$11.0 million is primarily found in Capital Projects funds which have been restricted for related capital projects and debt service reserves.
- **Unrestricted Net Position** of \$141.7 million experienced an increase of \$15.4 million. Unrestricted Net Position is normally the part of net position that can be used without constraints established by debt covenants or other legal requirements.

Analysis of Changes in Business-Type Net Position

Table 5, Changes in Business-Type Net Position shows the results of the City's businesses for the last two fiscal years. The City's Business-type activities increased the City's net position by \$12.8 million during fiscal year 2021-22. Total Business-type revenues of \$87.4 million decreased by \$2.4 million (3%) when compared to last year. Total Business-type expenses totaled \$78.3 million, an increase of \$5.2 million (7%) as compared to last year.

Management Discussion and Analysis

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2022

Table 5
Changes in Business-Type Net Position
(in millions)

	FY 21-22	FY 20-21 *	Increase (Decrease)	
			\$	%
REVENUES				
Program Revenues:				
Charges for Services	\$ 68.0	\$ 59.8	\$ 8.2	14%
Operating Grants & Contributions	14.0	15.4	(1.4)	-9%
Capital Grants & Contributions	7.1	12.1	(5.0)	-41%
Investment Earnings	(5.0)	0.7	(5.7)	-814%
Miscellaneous	3.3	1.8	1.5	83%
Total Revenues	87.4	89.8	(2.4)	-3%
EXPENSES				
Water Reclamation Facility	25.4	22.7	2.7	12%
Storm Sewer Maintenance	2.7	2.9	(0.2)	-7%
Solid Waste	21.7	19.2	2.5	13%
Transit	19.8	17.3	2.5	14%
Convention Center	1.2	2.4	(1.2)	-50%
Airport	2.5	3.1	(0.6)	-19%
Baseball	-	0.2	(0.2)	-100%
Building Safety	3.1	3.4	(0.3)	-9%
Animal Control	1.9	1.9	-	0%
Total Expenses	78.3	73.1	5.2	7%
Increase in Net Position Before Transfers	9.0	16.7	(7.7)	-46%
Transfers	3.8	3.4	0.4	12%
Increase in Net Position	12.8	20.1	(7.3)	-36%
Net Position at Beg. Year, as restated	416.4	396.3	20.1	5%
Net Position at End of Year	\$ 429.2	\$ 416.4	\$ 12.8	3%

* As restated due to prior period adjustments.

Revenues

- **Charges for Services** – These revenues were up collectively by \$8.2 million due to increased revenue at the Convention Center of \$1.0 million as a result of the facility opening after being shut down the prior year due to the COVID-19 pandemic, and Transit of \$1.6 million also due to the COVID-19 pandemic as fees for ridership were suspended in the prior year as well as the Sequoia Shuttle. Increases also include Water Reclamation facility of \$3.3 million (residential and industrial users), Airport of \$0.5 million (fuel sales), Solid Waste of \$1.0 million (commercial, single and multifamily fees), and Building Safety of \$0.8 million (overall increase in construction permits).
- **Operating and Capital Grants and Contributions** – The combined revenue from operating and capital grants & contributions decreased this year \$6.4 million due to decreases in Storm Sewer Maintenance of \$1.7 million, Water Reclamation Facility of \$1.1 million, Airport of \$0.3 million, Solid Waste of \$1.9 million and Transit of \$1.4 million as funds received less grants, contributions, and assets from impact fee funds.

Expenses

- **Water Reclamation Facility** – There were \$25.4 million in expenses, an increase of \$2.7 million (12%) due to increases in capital related activity of \$1.8 million compared to the prior year, utility expenses of \$1.1 million, chemical expenses of \$0.3 million, bad debt expenses of \$0.1 million, and allocated expenses and services provided of \$0.3 million, with decreases in equipment supply and maintenance repair of \$0.2 million, contracted professional services of \$0.2 million for farming services and salaries and benefits of \$1.3 million due to vacancies and the annual pension adjustments.
- **Storm Sewer Maintenance** – There were \$2.7 million in expenses, a decrease of \$0.2 million (7%) mainly due to decreases in capital related activity of \$0.4 million, offset by increases in maintenance and operations expenses of \$0.1 million consisting of allocated expenses and services provided, and salaries and benefits of \$43K due to the annual pension adjustments.
- **Solid Waste** – There were \$21.7 million in expenses, an increase of \$2.5 million (13%) mainly due to increases were seen in capital related activity of \$1.0 million, depreciation of \$0.5 million, and salaries and benefits of \$0.9 million due to vacancies and the annual pension adjustments.
- **Transit** – There were \$19.8 million in expenses, an increase of \$2.5 million (14%) mainly due to increases in scheduled bus contracted services and the Sequoia Shuttle resuming operation (COVID shutdown prior year) of \$1.6 million, allocated expenses and services provided of \$0.4 million, CNG fuel of \$0.5 million, utility expenses of \$0.1 million, revenue share expense of \$0.1 million due to increased advertising, and depreciation of \$0.2 million, offset by decreases in salaries and benefits of \$0.2 million due to the annual pension adjustments and capital related activity of \$0.4 million
- **Convention Center** – There were \$1.2 million in expenses, a decrease of \$1.2 million (50%) mainly due to the annual pension adjustments of \$2.0 million being less than the previous year. Increases were seen in salaries and benefits of \$0.6 million due to increased staffing levels and maintenance and operations of \$0.2 million due to the increase in events as compared to the prior year when restrictions were in place as a result of the COVID-19 pandemic. The state guidelines allowed for reopening of the Convention Center June 15, 2021.
- **Airport** – There were \$2.5 million in expenses, a decrease of \$0.6 million (19%) mainly due to decreased capital related activity of \$1.2 million as compared to the prior year and an increase in salaries and benefits of \$0.1 million offset by a decrease in the annual pension adjustments. These decreases were partly offset by increases to maintenance and operations expenses of \$0.6 million consisting of aviation fuel of \$0.5 million and allocated expenses and services provided of \$0.1 million.
- **Baseball** – The baseball fund is no longer recognized as a Business-Type Fund and is currently being presented in the non-major financial statements.
- **Building Safety** – There were \$3.1 million in expenses, a decrease of \$0.3 million (9%) mainly due to a decrease to salaries and benefits of \$0.6 million due to vacancies and the annual pension adjustments and increases in maintenance and operations expenses of \$0.3 million consisting of computer software support of \$0.1 million and professional & specialized services for consulting of \$0.2 million.
- **Animal Control** – There were \$1.9 million in expenses, consistent with the prior year. Decreases were seen in salaries and benefits of \$20K due to vacancies and the annual pension adjustments offset by increases in maintenance and operations expenses of \$41K consisting of allocated expenses and services provided of \$57K, capital related activity of \$14K, offset by a decrease in bad debt expense of \$25K.

FUND FINANCIAL ANALYSIS

Governmental Funds are reported on a modified accrual basis of accounting in the fund statements, essentially eliminating the effects of capital assets and related debt. Table 6, Balance Sheet – Governmental Funds shows the last two fiscal years’ results.

Table 6
Balance Sheet - Governmental Funds
(in millions)

	FY 21-22	FY 20-21 *	Increase (Decrease)	
			\$	%
Assets				
Cash and Investments	\$ 257.3	\$ 195.5	\$ 61.8	32%
Other Assets	70.7	65.4	5.3	8%
Intergovernmental Balances	2.1	6.1	(4.0)	-66%
Total Assets	<u>330.1</u>	<u>267.0</u>	<u>63.1</u>	24%
Liabilities				
Advances From Other Funds	1.4	1.5	(0.1)	-7%
Other Liabilities	39.7	22.7	17.0	75%
Total Liabilities	<u>41.1</u>	<u>24.2</u>	<u>16.9</u>	70%
Deferred Inflows of Resources				
Unavailable Revenue	9.5	5.5	4.0	73%
Leases	2.0	2.1	(0.1)	100%
Total Deferred Inflows of Resources	<u>11.5</u>	<u>7.6</u>	<u>3.9</u>	73%
Fund Balances				
Nonspendable	1.6	3.5	(1.9)	-54%
Restricted	163.3	145.3	18.0	12%
Committed	78.7	52.8	25.9	49%
Assigned	28.2	28.5	(0.3)	-1%
Unassigned	5.7	5.1	0.6	12%
Total Fund Balances	<u>\$ 277.5</u>	<u>\$ 235.2</u>	<u>\$ 42.3</u>	18%

* As restated due to prior period adjustments and the implementation of GASB 87.

Assets – The composition of assets changed by \$63.1 million (24%) during the year with increases in cash, other assets, and a decrease in intergovernmental balances. Cash and investments increased \$61.8 million (32%) mainly due to revenues exceeding expenditures and other sources & (uses) by \$42.3 million. Other assets increased \$5.3 million (8%) as increases were seen in accounts receivable of \$5.3 million (the majority is Transportation Impact Fee receivables of \$3.7 million and other funds of \$1.6 million), loans receivable of \$1.1 million offset by a decrease in taxes receivable of \$1.1 million. Intergovernmental balances decreased \$4.0 million (66%) as a result of a decrease in advances to other funds of \$1.5 million and a decrease in amounts due from other governmental agencies of \$2.5 million.

Liabilities – Liabilities have increased \$16.9 million (70%) mainly due to an increase in other liabilities of \$17.0 million (75%) due to the increase in unearned revenue for the American Rescue Plan fund of \$14.4 million and accounts payable of \$2.6 million.

Deferred Inflows of Resources – Deferred Inflows of Resources increased \$3.9 million (73%) mainly due to increases in impact fees receivable of \$4.0 million and a decrease in lease receivables of \$0.1 million.

Fund Balances - By June 30, 2022, the City’s Governmental Funds had a total fund balance of \$277.5 million, an increase of \$42.3 million (18%) from the prior fiscal year, which was a combination of increases and decreases in various funds which are discussed later.

Table 7, Statement of Revenues & Expenditures – Governmental Funds shows the results of the last two fiscal years’ activities.

Table 7
Statement of Revenues & Expenditures - Governmental Funds
(in millions)

	<u>FY 21-22</u>	<u>FY 20-21 *</u>	<u>Increase (Decrease)</u>	
			\$	%
Revenues	\$ 163.2	\$ 153.0	\$ 10.2	7%
Expenditures	<u>113.5</u>	<u>106.5</u>	<u>7.0</u>	7%
Excess (Deficiency) of Revenues Over (Under) Expenditures	49.7	46.5	3.2	7%
Other Sources & (Uses)	<u>(7.4)</u>	<u>(3.0)</u>	<u>(4.4)</u>	147%
Net Change	<u>\$ 42.3</u>	<u>\$ 43.5</u>	<u>\$ (1.2)</u>	-3%

* As restated due to prior period adjustments.

Revenues increased \$10.2 million from the prior year. Sales tax increased \$11.2 million which includes growth in general sales tax of \$8.1 million (21%), Measure N sales tax of \$2.8 million (17%) and Measure T sales tax of \$1.4 million (17%). Measure R sales tax revenues had a decrease of \$1.1 million (17%) as funding for projects in those funds were received on a reimbursement basis. Property tax revenue saw an increase of \$1.8 million (7%). Other increases in revenues included fees and fines of \$3.1 million as impact fee revenue was up, other taxes of \$1.6 million which include transient occupancy tax and franchise fees, charges for current services of \$2.4 million and miscellaneous of \$1.0 million which \$0.8 million is due to the implementation of GASB 87. Decreases were seen in subventions and grants of \$4.5 million as less funding was obtained for projects and uses of money and property of \$6.4 million as there was a significant fair market value adjustment to investments held at June 30, 2022 in accordance with GASB 31, offset by interest earnings as they were slightly up \$0.1 million (2%) due to higher earnings rates as compared to the prior year.

Expenditures increased by \$7.0 million mainly due to increases in capital related projects compared to the prior year of \$2.1 million. Other increases in expenses were seen in Police of \$2.4 million, Fire of \$1.9 million, Community Services of \$2.1 million, Public Works of \$0.6 million, and Community Development of \$0.6 million, and decreases were seen in Housing & Community Grants of \$1.3 million, and General Government of \$1.4 million.

Other Financing Sources & Uses in the governmental funds had an increase of \$4.4 million mainly due to transfers out exceeding transfers in for the current year.

ANALYSIS OF MAJOR GOVERNMENTAL FUNDS

General Fund - The General Fund saw a change in fund balance with an increase of \$1.0 million. The General Fund had an overall increase in revenues of \$12.6 million (15%) as compared to last year. The increases included sales tax of \$8.1 million (21%), property taxes of \$1.8 million (7%), other taxes of \$1.6 million (17%), fees and fines of \$0.1 million (7%), charges for current services of \$2.1 million (76%) and miscellaneous revenue of \$1.0 million

(77%) of which \$0.8 million is due to the implementation of GASB 87. Decreases occurred in subventions and grants of \$0.6 million (28%), and uses of money and property of \$1.5 million (184%).

If there is a General Fund surplus at year end, the surplus is first to be distributed to fund the Emergency Reserve to meet Council's goal of 25% of operating expenditures and then any remaining surplus is to be transferred to the Civic Center Fund. This fiscal year, the largest transfer out from the General Fund is to the Civic Center Fund totaling \$14.2 million.

Measure N - The Measure N fund is used to account for the half-cent sales tax override approved by the citizens of Visalia in November 2016 which funds increased City essential services of Police, Fire, Streets and Parks. Measure N saw an overall increase in revenues of \$1.8 million. The increase includes sales tax of \$2.8 million offset by a decrease in uses of money and property of \$1.0 million. The Measure N Fund's fund balance increased \$7.6 million to \$37.3 million as a result of revenues exceeding expenditures for the year.

Housing & Community Grants - This fund accounts for the Community Development Block Grants (CDBG), Home Investment Partnership Program (HOME) and Neighborhood Stabilization Program (NSP) Grant funds. Also included are the Substandard Housing and Vehicle Abatement funds. The fund's assets include \$14.5 million in notes and loans receivable. The notes and loans receivable are for housing assistance through the various grant programs as well as past rental rehabilitation loans. Housing & Community Grant's fund balance increased \$0.7 million to \$16.1 million as a result of revenues exceeded expenditures for the year.

Housing Successor Agency - The Housing Successor Agency Fund is used to retain the housing assets and functions previously performed by the dissolved Redevelopment Agency of the City of Visalia. Housing Successor Agency's fund balance decreased by \$0.1 million to \$10.6 million as a result of expenditures exceeding revenues for the year.

American Rescue Plan - The American Rescue Plan Fund is used to account for the tracking of these special revenue funds. Funding is provided by the American Rescue Plan Act resulting from the COVID pandemic. The funds' assets include \$28.5 million in unearned revenue. The American Rescue Plan Fund's balance is \$67K.

Transportation - The transportation Fund is used to account for the financing and construction of new streets, roads, and various new transportation infrastructure and facilities. Funding is provided by Transportation Impact Fees. The Transportation Fund's fund balance increased \$3.1 million to \$19.5 million as a result of revenues exceeding capital projects for the year.

Civic Center – The Civic Center fund is used to account for the construction of the Civic Center and related capital improvement projects. Revenue is collected from land sales, one time monies as incentive revenues and General Fund surplus or other transfers authorized by City Council. The Civic Center Fund's balance increased \$14.1 million mainly due to transfers from the General Fund of \$14.2 million.

All Other Governmental Funds - These funds (referred to as Non-Major Funds) are not presented separately in the Basic Financial Statements but are individually presented in Supplementary Information. Combined they received \$36.9 million in revenue and have a combined Fund Balance at year-end of \$93.2 million.

ANALYSIS OF MAJOR PROPRIETARY FUNDS

Business-Type Funds

By June 30, 2022, the City's Proprietary Funds combined net position totaled \$431.9 million, an increase of \$13.2 million from the prior fiscal year, which was a combination of increases and decreases in various funds.

Enterprise operating revenues, including charges for services and grants and contributions, were \$82.0 million this year, an increase of \$6.8 million from last year. Grants and contributions had a decrease of \$1.4 million mainly due to receiving less grant revenue in Transit due to the prior year receiving COVID grant funding. The increase in charges for services of \$8.2 million is mainly due to increase in the Convention Center of \$1.0 million as a result of the facility opening after being shut down the prior year due to the COVID-19 pandemic, and Transit of \$1.6 million also due to the COVID-19 pandemic restrictions being lifted as fees for ridership were suspended in the prior year. Increases also include Water Reclamation facility of \$3.3 million (residential and industrial users), Airport of \$0.5 million (fuel sales), Solid Waste of \$1.0 million (commercial, single and multifamily fees), and Building Safety of \$0.8 million (overall increase in construction permits).

Operating expenses were \$74.5 million this year, an increase of \$3.9 million from last year mainly due to Convention Center having an increase of \$0.6 million due to increased staffing levels and operational events due to reopening after restrictions related to COVID-19 as the facility was closed, Transit having an increase of \$2.4 million mainly due to resuming cancelled bus services also related to the COVID-19 pandemic in addition to an increase for scheduled bus contracted services, Water Reclamation Facility of \$2.3 million due to increased project related activity offset by other funds having project related activity of \$1.4 million.

Water Reclamation Facility - Operating revenues increased \$3.1 million due to a combination of increases in industrial fees of \$1.7 million, front footage fees of \$0.2 million, trunk line capacity fees of \$0.2 million, services provided of \$0.1 million and residential fees of \$1.0 million which are mainly due to the prior year having a change in utility bill due dates for all accounts to the 30th of the month, offset by decreases in restaurant fees of \$0.1 million. Operating expenses increased by \$2.4 million mainly due to increases in capital related activity of \$1.8 million compared to the prior year, utility expenses of \$1.1 million, chemical expenses of \$0.3 million, bad debt expenses of \$0.1 million, and allocated expenses and services provided of \$0.3 million, with decreases in equipment supply and maintenance repair of \$0.2 million, contracted professional services of \$0.2 million for farming services and salaries and benefits of \$0.9 million due to vacancies and the annual pension adjustments.

Storm Sewer Maintenance - Operating revenues had a slight increase of \$3K. Operating expenses decreased by \$0.2 million including decreases in project related activity of \$0.4 million, offset by increases in maintenance and operations expenses of \$0.1 million consisting of allocated expenses and services provided, and salaries and benefits of \$43K due to the annual pension adjustments.

Solid Waste - Operating revenues increased \$1.1 million mainly due to increases in single family fee revenue of \$0.1 million, multifamily fee revenue of \$0.1 million, commercial recycling fee revenue of \$0.2 million and commercial fee revenue of \$0.8 million offset by a decrease in CNG fuel rebates of \$0.1 million due to the timing of receiving the fuel rebate. Operating expenses increased by \$1.9 million mainly due to an increase of capital related activity of \$1.0 million, depreciation expense of \$0.5 million, and salaries and benefits of \$0.4 million mainly due to vacancies and the annual pension adjustments.

Transit - Operating revenues increased \$0.3 million from last year. Increases were seen in Charges for Services of \$1.5 million, Sequoia Shuttle ticket sales of \$0.7 million (as the Sequoia Shuttle resumed regular operation), farebox sales of \$0.2 million and ticket sales of \$0.1 million as ridership fees were no longer being suspended from the COVID-19 pandemic. Increases were also seen in carbon credits of \$0.1 million due to a timing issue of federal reimbursements, offset by a decrease in CNG sales of \$0.1 million. In addition, operating grant revenue decreased \$1.3 million due to the prior year receiving COVID grant funding. Operating expenses increased by \$2.3 million mainly due to increases in maintenance and operations of \$1.6 million for scheduled increases for bus contracted services and the Sequoia shuttle resuming operation after the ending of the COVID shutdown, allocated expenses and services provided of \$0.4 million, CNG fuel of \$0.5 million, utility expenses of \$0.1 million, revenue share expense of \$0.1 million due to increased advertising, and depreciation of \$0.2 million, offset by decreases in salaries and benefits of \$0.2 due to annual pension adjustments and capital related activity of \$0.4 million.

Convention Center - Operating revenues increased by \$1.0 million as COVID19 restrictions were lifted. As operations and events were allowed by the state to reopen on June 15, 2021, increases were mainly seen in conference room rental of \$0.8 million, and food and bar sales of \$0.2 million. Operating expenses decreased by \$1.2 million mainly due to the annual pension adjustments offset by increases in salaries and benefits of \$0.6 million due to increased staffing levels, and maintenance and operations of \$0.2 million due to the increase in events as compared to the prior year.

Airport - Operating revenues increased by \$0.5 million mainly due to increases in fuel sales of \$0.5 million, hanger rentals of \$60K, and utility (electric) fee of \$23K, offset by decreases for “into plane” fuel sales of \$16K and fuel flowage fees of \$16K. Operating expenses decreased by \$0.6 million mainly due to a decrease in capital related activity of \$1.2 million, offset by increases in maintenance and operations for aviation fuel of \$0.5 million and allocated expenses and services provided of \$0.1 million with a decrease in salaries and benefits of \$0.1 million due to the annual pension adjustments.

Building Safety – Operating revenues increased by \$0.8 million due to an overall increase in construction permits compared to prior years activity. Operating expenses decreased by \$0.4 million including decreases in salaries and benefits of \$0.6 million due to vacancies and the annual pension adjustments with increases in maintenance and operations expenses of \$0.2 million mainly due to computer software support of \$0.1 million and professional & specialized services for consulting of \$0.2 million offset by a decrease in capital related activity of \$0.1 million.

Animal Control – Operating revenues decreased by \$59K as a result of decreased activity for services provided to Tulare of \$25K as they no longer required animal disposal services. In addition, decreases in license fees of \$19K, tax rolled fines of \$18K, and grant/contributions funding of \$43K, were offset by increases in administration, fines of \$29K, kennel fees of \$9K, facility/shelter fee of \$5K and penalty/late charges of \$3K. Operating expenses decreased by \$30K mainly due to a decrease in salaries and benefits of \$71K due to vacancies and the annual pension adjustments with an increase in maintenance and operations expenses of \$41K consisting of allocated expenses and services provided of \$57K, and capital related activity of \$14K offset by a decrease in bad debt expense of \$25K.

GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund - Original and Final Budget Comparison

The City’s final General Fund budget differs from the original budget due to carry-forward appropriations for capital projects and supplemental appropriations approved throughout the year at Council meetings and during the Mid-Year budget reviews.

Budgeted total expenditures increased by \$2.0 million to a final budgeted amount of \$70.6 million, mainly due to an increase of \$1.9 million in Capital Outlay (Projects).

General Fund - Final Budget and Actual Comparison

Total revenues were \$21.4 million higher than the final budgeted amount, as detailed below. The fiscal year 2021-22 budget was adopted during the initial stages of the COVID-19 pandemic in FY 19-20. These were very uncertain times as historic shutdowns were occurring making economic forecasting very difficult. Because of this, staff budgeted with worst case scenarios in mind.

- Sales Tax – was \$16.1 million more than budgeted as the economy had growth, inflation had increased and averaged 7.7% for the year making goods and services more expensive, and new business opened within the City.

Management Discussion and Analysis

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2022

- Property Tax – was \$3.7 million more than budgeted as valuation increased more than anticipated due to increased development and increases in real estate prices.
- Transient Occupancy Tax – was \$2.3 million more than budgeted as the budget was conservative due to the COVID-19 pandemic and the effects it initially had on the travel and hospitality industry.
- Business License – was \$0.5 million more than budgeted as business license activity was higher than anticipated for the year.
- Subventions and Grants – was \$2.0 million less than budgeted mostly due to the City not drawing down awarded grant funding of \$2.8 million for capital improvement programs as the project is still in progress and will draw down the grant upon completion of the project.
- Total Fees and Fines – was \$0.1 million less than budgeted as vehicle code and parking violations were less than projected.
- Interest Earned – was \$1.6 million less than budgeted due to the significant fair market value adjustment to investments held at June 30, 2022 in accordance with GASB 31. This annual adjustment for fair market valuation is an unrealized loss and will be recovered as the investments mature over the upcoming years.
- Engineering and Subdivision Services – was \$1.1 million more than budgeted as these specialized services were higher than anticipated for the year as building growth continued in the City.
- Recreation Programs – was \$0.6 million less than budgeted as these programs were highly impacted by the shutdown due to the COVID-19 pandemic. Programs were being offered however participation was down. Community wide special events were not being offered this year.

Total expenditures were \$1.4 million more than budget. This difference was mainly due to the one-time wage lump sum payment/bonus of \$0.7 million to employees, as well as the implementation of GASB 87 which required the recording of Lessee agreements of \$0.8 million as an expense.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's capital assets for its Governmental and Business-Type activities as of June 30, 2022 totaled \$725.3 million (net of accumulated depreciation and amortization), as shown in Table 8, Capital Assets, Net of Accumulated Depreciation & Amortization. For Government-wide Financial Statements, capital asset purchases for governmental activities are capitalized and depreciated. In contrast, in the Fund Financial Statements capital asset purchases for governmental activities are recorded as expenditures. Additional information about the City's capital assets can be found in the *Notes to Financial Statements, Note 6 – Capital Assets*.

Management Discussion and Analysis

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2022

Table 8
Capital Assets, Net of Accumulated Depreciation & Amortization
 (in millions)

	FY 21-22	FY 20-21 *	Increase (Decrease)	
			\$	%
Governmental Activities				
Land	\$ 41.4	\$ 41.6	\$ (0.2)	0%
Buildings	45.3	46.6	(1.3)	-3%
Improvements	59.7	61.5	(1.8)	-3%
Equipment	20.3	18.9	1.4	7%
Infrastructure	159.0	161.2	(2.2)	-1%
Construction in Progress	27.1	21.4	5.7	27%
Leased Assets	0.7	0.8	(0.1)	100%
Total	\$ 353.5	\$ 352.0	\$ 1.5	0%
Business-Type Activities				
Land	\$ 26.2	\$ 26.1	\$ 0.1	0%
Buildings	36.2	33.1	3.1	9%
Improvements	159.9	164.1	(4.2)	-3%
Equipment	28.2	27.3	0.9	3%
Infrastructure	117.0	117.8	(0.8)	-1%
Construction in Progress	4.3	8.6	(4.3)	-50%
Total	\$ 371.8	\$ 377.0	\$ (5.2)	-1%
Total City-Wide	\$ 725.3	\$ 729.0	\$ (3.7)	-1%

* As restated due to the implementation of GASB 87.

Major capital asset events during the current fiscal year included the following:

Governmental

- Traffic signal at Riggin & County Center completed
- Traffic signal at Riggin & Giddings completed
- Caldwell Improvements Akers to Shady & Santa Fe to Lovers Lane in progress
- Shirk Widening project in progress
- Riggin Widening project in progress
- Downtown Street lighting & pavement rehabilitation in progress
- New Arbors at Plaza Park project completed
- Greenway Trail project completed
- Purchased 21 new VPD Patrol vehicles
- Purchased new Transfer Truck and Trailer for Streets Division

Business-type

- New Aircraft Hangar construction project completed
- Addition of storm drain infrastructure
- Purchased 5 Solid Waste collection vehicles
- Purchased 4 new 35" Catalyst busses
- Purchased Ditch Witch Vacuum Excavator
- Purchased new Aeration Blower

Debt Administration

The City's total long-term debt decreased by \$4.5 million (4%) during the fiscal year, as shown in [Table 9, Outstanding Debt](#). This was due to the City's regularly scheduled debt service payments, lease payments and adjustments to Compensated Absences. See the accompanying *Notes to Basic Financial Statements, Note 7 – Long-Term Debt* for further detail. The following summarizes the City's outstanding debt.

Table 9
Outstanding Debt
(in millions)

	FY 21-22	FY 20-21 *	Increase (Decrease)	
			\$	%
Governmental Activities				
Certificates of Participation	\$ 8.5	\$ 9.4	\$ (0.9)	-10%
Lease Liabilities	0.7	0.8	(0.1)	100%
Compensated Absences	6.0	5.8	0.2	3%
Total	<u>15.2</u>	<u>16.0</u>	<u>(0.8)</u>	-5%
Business-Type Activities				
Certificates of Participation	5.4	6.3	(0.9)	-14%
Lease	3.1	3.5	(0.4)	-11%
Notes - Direct Borrowings	86.8	89.3	(2.5)	-3%
Compensated Absences	1.2	1.1	0.1	9%
Total	<u>\$ 96.5</u>	<u>\$ 100.2</u>	<u>\$ (3.7)</u>	-4%
Total City-Wide	<u>\$ 111.7</u>	<u>\$ 116.2</u>	<u>\$ (4.5)</u>	-4%

* As restated due to the implementation of GASB 87.

REQUEST FOR FINANCIAL INFORMATION

This financial report is designed to provide our citizens, customers, investors, and creditors with a general overview of the City's finances, and to demonstrate the City's accountability for the money it receives and expends. If you have questions about this report, or need any additional financial information, contact the City of Visalia's Finance Department at 707 W. Acequia Ave., Visalia, CA 93291.



BASIC FINANCIAL STATEMENTS



Statement of Net Position and Statement of Activities

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2022

STATEMENT OF NET POSITION AND STATEMENT OF ACTIVITIES

The Statement of Net Position and the Statement of Activities are required by Governmental Accounting Standards Board (GASB) Statement No. 34. Their purpose is to summarize the entire City's financial activities and financial position. They are prepared on the same basis of accounting as is used by most businesses, which means they include all the City's assets and all its liabilities, deferred inflows and outflows of resources, as well as all its revenues and expenses. This is known as the full accrual basis of accounting - the effect of all the City's transactions is taken into account, regardless of whether or when cash changes hands, but all material internal transactions between City funds have been eliminated.

The Statement of Net Position reports the difference between the City's total assets and deferred outflows of resources and deferred inflows of resources and the City's total liabilities, including all the City's capital assets and all its long-term debt. The Statement of Net Position presents information similar to the old balance sheet format, but presents it in a way that focuses the reader on the composition of the City's net position, by subtracting total liabilities from total assets.

The Statement of Net Position summarizes the financial position of all of the City's Governmental Activities in a single column, and the financial position of all the City's Business-type Activities in a single column; these columns are followed by a total column that presents the financial position of the entire City.

The City's Governmental Activities include the activities of its General Fund, along with all its Special Revenue, Capital Projects and Debt Service Funds. Since the City's Internal Service Funds service these Funds, their activities are consolidated with Governmental Activities, after eliminating interfund transactions and balances. The City's Business-type Activities include all its Enterprise Fund activities.

The Statement of Activities reports increases and decreases in the City's net position. It is also prepared on the full accrual basis of accounting, which means it includes all the City's revenues and all its expenses, regardless of when cash changes hands. This differs from the modified accrual basis of accounting used in the Fund financial statements, which reflect only current assets, current liabilities, available revenues and measurable expenditures.

The format of the Statement of Activities differs considerably from those used in the past. It presents the City's expenses first, listed by program, and follows these with the expenses of its business-type activities. Program revenues - revenues which are generated directly by these programs - are then deducted from program expenses to arrive at the net expense of each governmental and business-type program. The City's general revenues are then listed in the Governmental Activities or Business-type Activities column, as appropriate, and the Change in Net Position is computed and reconciled with the Statement of Net Position.

Both these statements include the financial activities of the City and the Visalia Public Finance Authority, which is legally separate but is a component unit of the City because it is controlled by the City, which is financially accountable for the activities of this entity.

These financial statements, along with the fund financial statements and footnotes, are called *Basic Financial Statements*.

CITY OF VISALIA
STATEMENT OF NET POSITION
JUNE 30, 2022

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments (Note 3)	\$ 299,354,212	\$ 170,040,635	\$ 469,394,847
Restricted Cash and Investments (Note 3)	397,149	4,365,229	4,762,378
Accounts Receivable	10,843,002	7,564,201	18,407,203
Leases Receivable (Note 16)	2,041,882	6,127,951	8,169,833
Interest Receivable	1,541,831	-	1,541,831
Taxes Receivable	19,050,179	296,505	19,346,684
Notes and Loans Receivable (Note 5)	36,952,162	134,280	37,086,442
Supplies	1,220,610	40,819	1,261,429
Inventory	221,595	71,558	293,153
Internal Balances (Note 4C)	2,623,668	(2,623,668)	-
Due from Other Governmental Units	729,302	11,902,310	12,631,612
Prepays and Deposits	935,339	14,710	950,049
Capital Assets, Net of Accumulated Depreciation (Note 6):			
Capital Assets Not Being Depreciated or Amortized	68,515,439	30,477,660	98,993,099
Capital Assets Being Depreciated or Amortized	285,008,927	341,278,284	626,287,211
Total Assets	729,435,297	569,690,474	1,299,125,771
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related (Note 10)	16,800,325	3,803,070	20,603,395
Total Deferred Outflows of Resources	16,800,325	3,803,070	20,603,395
LIABILITIES			
Accounts, Interest, and Contracts Payable	9,318,946	7,193,180	16,512,126
Advances from Grantors and Third Parties	-	2,856,360	2,856,360
Customer Deposits	811,348	1,430,452	2,241,800
Unearned Revenue	30,031,663	63,974	30,095,637
Accrued Personnel Costs	42,115	-	42,115
Long-Term Liabilities (Note 7):			
Due Within One Year	2,287,759	4,128,056	6,415,815
Due in More Than One Year	12,957,476	92,330,564	105,288,040
Liability for Self-Insurance Claims (Note 11):			
Due Within One Year	859,236	-	859,236
Due in More Than One Year	7,162,970	-	7,162,970
Net Pension Liability Due in More Than One Year (Note 10)	60,448,014	21,155,679	81,603,693
Total Liabilities	123,919,527	129,158,265	253,077,792
DEFERRED INFLOWS OF RESOURCES			
Pension Related (Note 10)	34,737,851	9,037,520	43,775,371
Lease Related (Note 16)	2,010,828	6,056,204	8,067,032
Total Deferred Inflows of Resources	36,748,679	15,093,724	51,842,403
NET POSITION			
Net Investment in Capital Assets	344,300,095	276,505,115	620,805,210
Restricted for:			
Capital Projects	108,507,786	6,629,471	115,137,257
Debt Service	8,685	4,365,229	4,373,914
Waterways/Groundwater Projects	8,726,828	-	8,726,828
Landscape & Lighting Districts	13,207,549	-	13,207,549
Public Safety	13,821,472	-	13,821,472
Roadway Projects	14,061,695	-	14,061,695
Golf Course Maintenance Projects & Misc.	1,349,922	-	1,349,922
Total Restricted Net Position	159,683,937	10,994,700	170,678,637
Unrestricted	81,583,384	141,741,740	223,325,124
Total Net Position	\$ 585,567,416	\$ 429,241,555	\$ 1,014,808,971

The accompanying notes are an integral part of these financial statements.

**CITY OF VISALIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
Governmental Activities							
General Government	\$ 2,236,655	\$ 1,381,102	\$ 1,486,735	\$ 881,131	\$ 1,512,313	\$ -	\$ 1,512,313
Community Development	(3,942,056)	1,205,740	38,193	-	5,185,989	-	5,185,989
Housing & Community Grants	2,181,990	22,016	3,914,291	-	1,754,317	-	1,754,317
Public Safety							
Police	41,080,859	2,817,625	788,958	277,172	(37,197,104)	-	(37,197,104)
Fire	20,379,865	2,142,496	40,609	491	(18,196,269)	-	(18,196,269)
Public Works	19,716,826	15,791,336	-	9,459,595	5,534,105	-	5,534,105
Community Services	14,827,358	10,394,532	-	-	(4,432,826)	-	(4,432,826)
Interest on Long-Term Debt	362,130	-	-	-	(362,130)	-	(362,130)
Total Governmental Activities	96,843,627	33,754,847	6,268,786	10,618,389	(46,201,605)	-	(46,201,605)
Business-Type Activities							
Convention Center	1,180,363	1,547,005	-	-	-	366,642	366,642
Airport	2,544,619	2,313,055	-	1,899,246	-	1,667,682	1,667,682
Water Reclamation Facility	25,450,117	29,651,281	-	377,273	-	4,578,437	4,578,437
Storm Sewer Maintenance	2,682,523	1,323,551	-	1,567,411	-	208,439	208,439
Solid Waste	21,658,796	21,573,595	171,420	-	-	86,219	86,219
Transit	19,791,018	5,160,837	13,851,052	3,201,058	-	2,421,929	2,421,929
Animal Control	1,934,727	636,081	7,604	-	-	(1,291,042)	(1,291,042)
Building Safety	3,099,212	5,771,399	-	-	-	2,672,187	2,672,187
Total Business-Type Activities	78,341,375	67,976,804	14,030,076	7,044,988	-	10,710,493	10,710,493
Total	\$ 175,185,002	\$ 101,731,651	\$ 20,298,862	\$ 17,663,377	(46,201,605)	10,710,493	(35,491,112)
General Revenues							
Taxes:							
					82,151,189	-	82,151,189
					29,810,247	-	29,810,247
					4,589,178	-	4,589,178
					3,155,645	-	3,155,645
					2,968,958	-	2,968,958
					(5,351,055)	(5,026,075)	(10,377,130)
					1,195,570	3,355,976	4,551,546
Transfers							
					(3,835,950)	3,835,950	-
Total General Revenues and Transfers					114,683,782	2,165,851	116,849,633
Change in Net Position					68,482,177	12,876,344	81,358,521
Net Position - Beginning of Year, As Restated (Note 14)					517,085,239	416,365,211	933,450,450
Net Position - End of Year					\$ 585,567,416	\$429,241,555	\$ 1,014,808,971

The accompanying notes are an integral part of these financial statements.



FUND FINANCIAL STATEMENTS

GASB Statement No. 34 revised the format of the Fund Financial Statements so that only individual major funds are presented, while non-major funds are combined in a single column. Major funds are defined generally as having significant activities or balances in the current year. No distinction is made between fund types.

MAJOR GOVERNMENTAL FUNDS

The funds described below were determined to be Major Funds by the City in fiscal year 2021-22. Individual non-major funds are presented in the Supplementary Information section.

GENERAL FUND

The General Fund is used to account for all the general revenues of the City not specifically levied or collected for other City funds and their related expenditures. The General Fund accounts for all financial resources of the City which are not accounted for in another fund. The General Fund includes the Emergency Reserve Fund.

MEASURE N

Measure N is used to account for increased Police, Fire, Streets, and Parks essential services. Financing is provided by the ½ cent sales tax ballot measure (N) approved by voters during the November 8, 2016 election.

HOUSING & COMMUNITY GRANTS FUND

The Housing & Community Grants Fund is used to account for the affordable housing and public service needs of the City's low and moderate income households. Financing is provided by Community Development Block Grants (CDBG), the Home Investment Partnership Program (HOME), Neighborhood Stabilization Program (NSP), Permanent Local Housing Allocation and fines charged for substandard housing and abandoned vehicle abatement. Also, within the CDBG, HOME and NSP programs, when money that was previously loaned out is paid back, it again becomes available for use in the rehabilitation and development programs.

HOUSING SUCCESSOR AGENCY FUND

The Housing Successor Agency Fund is used to retain the housing assets and functions previously performed by the dissolved Redevelopment Agency of the City of Visalia.

AMERICAN RESCUE PLAN ACT FUND

Established to track and account for American Rescue Plan Act federal grant funding. Monies can only be used according to the plan guidelines.

TRANSPORTATION FUND

Established to account for the financing and construction of streets, roads, and various transportation infrastructure and facilities. Funding is provided by Transportation Impact Fees.

CIVIC CENTER

Established to account for the construction of the Civic Center and related capital improvement projects. Revenue is collected from land sales, one time monies such as incentive revenues and General Fund surplus or other transfers authorized by City Council.

**CITY OF VISALIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Major Funds			
	General Fund	Measure N - Special Revenue Fund	Housing & Community Grants - Special Revenue Fund	Housing Successor Agency - Special Revenue Fund
ASSETS				
Cash and Investments (Note 3)	\$ 30,304,591	\$ 33,877,098	\$ 1,427,713	\$ 1,814,129
Restricted Cash and Investments (Note 3)	-	-	-	-
Accounts Receivable	1,723,339	-	-	-
Leases Receivable (Note 16)	532,649	-	-	-
Interest Receivable	1,541,831	-	-	-
Taxes Receivable	11,787,823	3,775,485	26,626	-
Notes and Loans Receivable (Note 5)	12,211,244	-	14,459,239	8,773,988
Supplies	14,028	-	-	-
Inventory (Note 11)	136,564	-	-	-
Advances to Other Funds (Note 4B)	1,389,252	-	-	-
Due from Other Governmental Units	456,450	-	167,295	-
Prepays and Deposits	26,515	-	-	-
Total Assets	\$ 60,124,286	\$ 37,652,583	\$ 16,080,873	\$ 10,588,117
LIABILITIES				
Accounts, Interest and Contracts Payable	\$ 1,652,388	\$ 384,083	\$ 36,374	\$ 2,924
Advances from Other Funds (Note 4B)	-	-	-	-
Customer Deposits	420,599	-	-	-
Unearned Revenue	1,355,828	-	-	-
Accrued Personnel Costs (Note 10 H)	39,840	-	-	-
Total Liabilities	3,468,655	384,083	36,374	2,924
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Tax	1,096,588	-	-	-
Unavailable Revenue - Business Tax	704,346	-	-	-
Unavailable Revenue - Impact Fees	2,789	-	-	-
Unavailable Revenue - Misc	533,384	-	-	-
Unavailable Revenue - Asset Forfeiture Leases (Note 16)	-	-	-	-
	526,204	-	-	-
Total Deferred Inflows of Resources	2,337,107	-	-	-
FUND BALANCES (Note 9)				
Nonspendable	1,563,869	-	-	-
Restricted	-	27,895,454	14,957,289	10,059,284
Committed	17,558,668	9,373,046	1,087,210	225,090
Assigned	27,938,850	-	-	300,819
Unassigned	6,730,933	-	-	-
Total Fund Balances	53,792,320	37,268,500	16,044,499	10,585,193
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 59,598,082	\$ 37,652,583	\$ 16,080,873	\$ 10,588,117

The accompanying notes are an integral part of these financial statements.

	Major Funds			Non-Major Funds	
	American Rescue Plan - Special Revenue Fund	Transportation - Capital Project Fund	Civic Center - Capital Project Fund	All Other Governmental Funds	Total
ASSETS					
Cash and Investments (Note 3)	\$ 28,551,845	\$ 22,159,999	\$ 46,903,819	\$ 92,226,282	\$ 257,265,476
Restricted Cash and Investments (Note 3)	-	-	-	8,685	8,685
Accounts Receivable	-	6,277,321	-	2,831,024	10,831,684
Leases Receivable (Note 16)	-	-	-	1,509,233	2,041,882
Interest Receivable	-	-	-	-	1,541,831
Taxes Receivable	-	25,000	-	3,435,245	19,050,179
Notes and Loans Receivable (Note 5)	-	862,021	130,532	515,138	36,952,162
Supplies	-	-	-	-	14,028
Inventory (Note 11)	-	-	-	85,031	221,595
Advances to Other Funds (Note 4B)	-	-	-	-	1,389,252
Due from Other Governmental Units	-	-	-	105,557	729,302
Prepays and Deposits	-	-	-	-	26,515
Total Assets	\$ 28,551,845	\$ 29,324,341	\$ 47,034,351	\$ 100,716,195	\$ 330,072,591
LIABILITIES					
Accounts, Interest and Contracts Payable	\$ 27	\$ 5,640,208	\$ 29,927	\$ 1,088,418	\$ 8,834,349
Advances from Other Funds (Note 4B)	-	-	-	1,389,252	1,389,252
Customer Deposits	-	-	-	390,749	811,348
Unearned Revenue	28,485,137	-	-	190,698	30,031,663
Accrued Personnel Costs (Note 10 H)	-	-	-	-	39,840
Total Liabilities	28,485,164	5,640,208	29,927	3,059,117	41,106,452
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Property Tax	-	-	-	-	1,096,588
Unavailable Revenue - Business Tax	-	-	-	-	704,346
Unavailable Revenue - Impact Fees	-	4,187,908	-	2,517,438	6,708,135
Unavailable Revenue - Misc	-	-	-	-	533,384
Unavailable Revenue - Asset Forfeiture	-	-	-	460,493	460,493
Leases (Note 16)	-	-	-	1,484,624	2,010,828
Total Deferred Inflows of Resources	-	4,187,908	-	4,462,555	11,513,774
FUND BALANCES (Note 9)					
Nonspendable	-	-	-	-	1,563,869
Restricted	-	19,496,225	47,004,424	90,836,023	210,248,699
Committed	977,315	-	-	2,436,321	31,657,650
Assigned	-	-	-	-	28,239,669
Unassigned	(910,634)	-	-	(77,821)	5,742,478
Total Fund Balances	66,681	19,496,225	47,004,424	93,194,523	277,452,365
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 28,551,845	\$ 29,324,341	\$ 47,034,351	\$ 100,716,195	\$ 330,072,591

The accompanying notes are an integral part of these financial statements.



**CITY OF VISALIA
RECONCILIATION OF THE BALANCE SHEET -
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2022**

Total Fund Balances - Governmental Funds \$277,452,365

CAPITAL ASSET AND LEASED ASSET TRANSACTIONS:

Capital Assets and Leased Assets: In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation and leased assets and accumulated amortization.

Capital Assets at Cost	\$494,535,874	
Accumulated Depreciation	(155,809,440)	
Leased Assets at Cost	837,396	
Accumulated Amortization	<u>(120,017)</u>	339,443,813

ALLOCATION OF INTERNAL SERVICE FUND NET POSITION

Internal service funds are used by management to charge the cost of certain activities, such as insurance, fleet services, compensated absences, and information services, to individual governmental and proprietary funds. The net current assets and current liabilities of the internal service funds are included in governmental activities in the statement of net position.

41,259,496

LONG-TERM LIABILITIES

Long-term Liabilities: In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:

Certificates of Participation	(8,501,308)	
Lease Liabilities	(722,963)	

DEFERRED INFLOWS / (OUTFLOWS) OF RESOURCES

Deferred Inflows of Resources: In governmental funds, future payments for receivables on delinquent property taxes, business taxes and deferred impact fees are treated as deferred inflows of resources. In government-wide statements, future payments of delinquent property taxes, business taxes and deferred impact fees are recorded as an offset to receivables.

9,502,946

Net pension liability and the related deferred outflows of resources and deferred inflows of resources are not due and payable in the current period or not available for current expenditures and are not reported in the governmental fund financial statements:

Pension related deferred outflows of resources - net of \$795,284 allocated to the internal service funds	16,005,041	
Aggregate net pension liabilities - net of \$4,423,998 allocated to the internal service funds	(56,024,016)	
Pension related deferred inflows of resources - net of \$1,889,893 allocated to the internal service funds	<u>(32,847,958)</u>	<u>(72,866,933)</u>

Total Net Position - Governmental Activities \$585,567,416

The accompanying notes are an integral part of these financial statements.

CITY OF VISALIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Major Funds			
	General Fund	Measure N - Special Revenue Fund	Housing & Community Grants - Special Revenue Fund	Housing Successor Agency - Special Revenue Fund
REVENUES				
Sales Taxes	\$ 47,052,657	\$ 19,717,002	\$ -	\$ -
Property Taxes	29,725,873	-	-	-
Other Taxes	10,790,531	-	-	-
Subventions and Grants	1,597,853	8,231	3,952,484	325,021
License and Permits	46,588	-	-	-
Fees and Fines	1,070,138	-	14,175	-
Uses of Money and Property	(675,060)	(944,964)	2,810	26,430
Charges for Current Services	4,880,929	77,308	5,000	-
Miscellaneous	2,381,522	40,521	638	30
Total Revenues	96,871,031	18,898,098	3,975,107	351,481
EXPENDITURES				
Current:				
General Government	3,126,598	271,018	-	180,779
Community Development	3,045,632	-	79,739	-
Housing & Community Grants	-	-	947,055	-
Public Safety:				
Fire	16,324,009	1,286,697	-	-
Police	35,557,194	4,942,293	-	-
Public Works	4,276,183	-	-	-
Community Services	7,871,256	668,948	-	-
Capital Outlay	1,669,399	4,279,194	2,229,013	329,320
Debt Service (Note 7):				
Principal	114,433	-	-	-
Interest and Fiscal Charges	9,199	-	-	-
Total Expenditures	71,993,903	11,448,150	3,255,807	510,099
Excess (Deficiency) of Revenues over (Under) Expenditures	24,877,128	7,449,948	719,300	(158,618)
Other Financing Sources (Uses)				
Sale of Land	-	144,938	-	41,331
Proceeds From Sale of Capital Assets	46,775	-	-	-
Transfers In (Note 4A)	134	-	30,191	-
Transfers Out (Note 4A)	(23,929,268)	-	-	-
Total Other Financing Sources (Uses)	(23,882,359)	144,938	30,191	41,331
Net Change in Fund Balances	994,769	7,594,886	749,491	(117,287)
Fund Balances - Beginning of Year	53,145,697	29,673,614	15,295,008	10,702,480
Prior Period Adjustment (Note 14)	(348,146)	-	-	-
Fund Balances - Beginning of Year, as Restated	52,797,551	29,673,614	15,295,008	10,702,480
Fund Balances - End of Year	\$ 53,792,320	\$ 37,268,500	\$ 16,044,499	\$ 10,585,193

The accompanying notes are an integral part of these financial statements.

	Major Funds			Non-Major Funds	Total
	American Rescue Plan - Special Revenue Fund	Transportation - Capital Project Fund	Civic Center - Capital Project Fund	All Other Governmental Funds	
REVENUES					
Sales Taxes	\$ -	\$ -	\$ -	\$ 15,381,530	\$ 82,151,189
Property Taxes	-	-	-	-	29,725,873
Other Taxes	-	-	-	77,171	10,867,702
Subventions and Grants	879,318	-	-	7,925,907	14,688,814
License and Permits	-	-	-	11,100	57,688
Fees and Fines	-	6,728,696	-	9,568,603	17,381,612
Uses of Money and Property	63,786	(573,505)	(972,043)	(1,904,315)	(4,976,861)
Charges for Current Services	-	-	-	5,566,794	10,530,031
Miscellaneous	128	55,588	-	301,809	2,780,236
Total Revenues	943,232	6,210,779	(972,043)	36,928,599	163,206,284
EXPENDITURES					
Current:					
General Government	-	-	6,503	15,081	3,599,979
Community Development	-	-	-	9,985	3,135,356
Housing & Community Grants	-	-	-	-	947,055
Public Safety:					-
Fire	-	-	-	2,931,268	20,541,974
Police	-	-	-	4,292,352	44,791,839
Public Works	-	35,375	-	1,568,924	5,880,482
Community Services	-	-	-	3,285,124	11,825,328
Capital Outlay	879,318	3,040,445	310,902	8,651,807	21,389,398
Debt Service (Note 7):					-
Principal	-	-	-	926,598	1,041,031
Interest and Fiscal Charges	-	-	-	352,931	362,130
Total Expenditures	879,318	3,075,820	317,405	22,034,070	113,514,572
Excess (Deficiency) of Revenues over (Under) Expenditures	63,914	3,134,959	(1,289,448)	14,894,529	49,691,712
Other Financing Sources (Uses)					
Sale of Land	-	-	1,200,000	-	1,386,269
Proceeds From Sale of Capital Assets	-	-	-	-	46,775
Transfers In (Note 4A)	-	-	14,221,739	1,707,178	15,959,242
Transfers Out (Note 4A)	-	-	-	(865,924)	(24,795,192)
Total Other Financing Sources (Uses)	-	-	15,421,739	841,254	(7,402,906)
Net Change in Fund Balances	63,914	3,134,959	14,132,291	15,735,783	42,288,806
Fund Balances - Beginning of Year	2,767	15,546,676	32,738,468	77,100,109	234,204,819
Prior Period Adjustment (Note 14)	-	814,590	133,665	358,631	958,740
Fund Balances - Beginning of Year, as Restated	2,767	16,361,266	32,872,133	77,458,740	235,163,559
Fund Balances - End of Year	\$ 66,681	\$ 19,496,225	\$ 47,004,424	\$ 93,194,523	\$ 277,452,365

The accompanying notes are an integral part of these financial statements.



CITY OF VISALIA
RECONCILIATION OF THE NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
WITH THE CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

Total Net Changes in Fund Balances - Governmental Funds \$ 42,288,806

CAPITAL OUTLAY: In governmental funds, the cost of capital assets are reported as expenditures. In the statement of activities, costs of those assets are allocated over their estimated useful lives as depreciation and amortization expense. The difference between capital outlay expenditures and depreciation expense for the period is:

Expenditures for Capital Outlay	\$ 11,849,136	
Net Retirements of Capital Assets	(1,416,874)	
Depreciation and Amortization Expenses	<u>(10,309,592)</u>	122,670

DEBT SERVICE: In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as reduction of liabilities. Expenditures for repayment of the principal portion of the long-term debt were:

Principal Payments of Long-Term Debt	926,598	
Principal Payments of Lease Liabilities	<u>114,433</u>	1,041,031

In governmental funds, repayments for delinquent property taxes, business taxes, and deferred impact fees are recognized as revenue. In government-wide statements, repayments of delinquent property taxes, business taxes, and deferred impact fees are recorded as reduction of receivables. Change in unavailable revenue relating to delinquent property taxes, business taxes, and deferred impact fees: 3,995,462

Internal service funds are used by management to charge the cost of certain activities, such as insurance, fleet services, compensated absences, and information services, to individual governmental and proprietary funds. The portion of the net revenue (expense) of these internal allocations to governmental activities was: 4,520,282

Pension Related Expenses 16,513,926

Total Change in Net Position - Governmental Activities \$ 68,482,177

The accompanying notes are an integral part of these financial statements.



MAJOR AND NON-MAJOR PROPRIETARY FUNDS

Proprietary funds account for City operations financed and operated in a manner similar to private business enterprises. The intent of the City is that the cost of providing goods and services be financed primarily through user charges.

The City has identified the funds below as major proprietary funds in fiscal year 2021-22.

WATER RECLAMATION FACILITY

Established to account for the collection and treatment of wastewater. Revenue is provided by user charges and impact fees as well as limited grant funding. Formerly known as Wastewater Fund.

STORM SEWER MAINTENANCE

Established to account for the operations of the City's storm and sewer drain activity. Revenue is provided by user charges and impact fees as well as limited grant funding.

SOLID WASTE

Established to account for the operations of collecting and disposing of solid waste and street sweeping activities. Revenues are provided by user charges and limited grant funding.

TRANSIT

Established to account for the operations of the City's transit activities. Revenue is provided by state transportation funds, federal grants, and passenger fares.

The City has identified the funds below as non-major proprietary funds in fiscal year 2021-22.

CONVENTION CENTER

Established to account for operations of the Convention Center. Revenues are provided by fees charged for the Convention Center and by operating transfers from the General Fund.

AIRPORT

Established to account for the operations of the Visalia Municipal Airport. Revenue is provided by the fees charged to the airport users for the aviation fuel, hangar rentals, and leases of land and buildings, as well as from federal grants for capital assets and projects.

BUILDING SAFETY

Established to account for the operations of the City's reviewing and checking of building plans from developers, contractors and/or property owners, permitting, and inspection of buildings. Revenue is provided by permit fees.

ANIMAL CONTROL

Established to account for the operations of the City's animal control services. Revenue is provided by users through fees for licensing, adoptions, vaccinations and shelter related fees.

CITY OF VISALIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022

	Business-Type Activities - Enterprise Funds				
	Major Funds				Non-Major Fund
	Water Reclamation Facility	Storm Sewer Maintenance	Solid Waste	Transit	Convention Center
ASSETS					
Current Assets					
Cash and Investments (Note 3)	\$ 86,755,239	\$ 762,365	\$ 31,797,745	\$ 35,817,870	\$ 513,044
Accounts Receivable	4,191,640	161,321	2,387,410	220,032	176,427
Leases Receivable (Note 16)	-	-	-	45,293	-
Taxes Receivable	105,353	63,963	127,189	-	-
Current Portion of Note and Loans Receivable (Note 5)	39,152	-	-	-	-
Supplies	-	-	-	-	-
Inventory (Note 11)	20,053	20,766	-	-	-
Due from Other Governmental Units	-	-	191,418	11,684,273	-
Prepaid Expenses	-	-	-	-	-
Total Current Assets	<u>91,111,437</u>	<u>1,008,415</u>	<u>34,503,762</u>	<u>47,767,468</u>	<u>689,471</u>
Non-Current Assets					
Restricted Cash and Investments (Note 3)	4,365,228	-	-	-	1
Leases Receivable	-	-	-	133,415	-
Non-current Portion of Note and Loans Receivable (Note 5)	95,128	-	-	-	-
Capital Assets (Note 6)					
Land	6,952,363	9,437,692	1,567,372	4,361,902	829,047
Construction in Progress	2,230,495	2,093,155	-	5,044	-
Buildings	2,937,862	-	197,130	19,589,783	22,428,375
Improvements Other Than Buildings	206,806,075	2,546,130	981,520	2,602,376	5,435,369
Machinery, Equipment and Vehicles	9,791,534	1,136,411	21,202,472	39,707,070	1,963,299
Infrastructure	92,524,761	60,892,301	-	-	-
Accumulated Depreciation	(84,100,108)	(15,544,614)	(11,515,536)	(32,975,981)	(19,535,118)
Total Non-Current Assets	<u>241,603,338</u>	<u>60,561,075</u>	<u>12,432,958</u>	<u>33,423,609</u>	<u>11,120,973</u>
Total Assets	<u>332,714,775</u>	<u>61,569,490</u>	<u>46,936,720</u>	<u>81,191,077</u>	<u>11,810,444</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension Related (Note 10)	960,681	139,894	1,372,116	250,249	213,818
Total Deferred Outflows of Resources	<u>960,681</u>	<u>139,894</u>	<u>1,372,116</u>	<u>250,249</u>	<u>213,818</u>
LIABILITIES					
Current Liabilities					
Accounts, Interest and Contracts Payable	2,826,066	59,200	612,382	2,455,351	238,071
Advances from Grantors and Third Parties	-	-	-	2,856,360	-
Accrued Personnel Costs	-	-	-	-	-
Customer Deposits	1,256,506	-	-	-	31,370
Current Portion of Long-Term Liabilities (Note 7):					
Compensated Absences	90,852	-	42,351	-	28,689
Certificates of Participation and Loans	2,542,949	-	-	-	911,785
Liability for Self-insured Claims (Note 11)	-	-	-	-	-
Total Current Liabilities	<u>6,716,373</u>	<u>59,200</u>	<u>654,733</u>	<u>5,311,711</u>	<u>1,209,915</u>
Non-Current Liabilities					
Advance from Other Funds (Note 4B)	-	-	-	-	-
Unearned Revenue	20,053	20,766	-	-	-
Non-current Portion of Long-term Liabilities (Note 7):					
Compensated Absences	190,348	23,406	462,504	65,192	54,272
Certificates of Participation and Loans	84,232,241	-	-	-	4,512,716
Liability for Self-insured Claims (Note 11)	-	-	-	-	-
Net Pension Liability (Note 10)	5,344,068	778,202	7,632,795	1,392,079	1,189,425
Total Non-Current Liabilities	<u>89,786,710</u>	<u>822,374</u>	<u>8,095,299</u>	<u>1,457,271</u>	<u>5,756,413</u>
Total Liabilities	<u>96,503,083</u>	<u>881,574</u>	<u>8,750,032</u>	<u>6,768,982</u>	<u>6,966,328</u>
DEFERRED INFLOWS OF RESOURCES					
Pension Related (Note 10)	2,282,938	332,441	3,260,663	594,684	508,112
Lease Related (Note 16)	-	-	-	177,430	-
Total Deferred Inflows of Resources	<u>2,282,938</u>	<u>332,441</u>	<u>3,260,663</u>	<u>772,114</u>	<u>508,112</u>
NET POSITION (Note 9)					
Net Investment in Capital Assets	150,367,792	60,561,075	12,432,958	33,290,194	5,696,471
Restricted for:					
Debt Service	4,365,228	-	-	-	1
Capital Projects	1,616,511	52,211	2,555,259	2,281,308	9,894
Unrestricted	78,539,904	(117,917)	21,309,924	38,328,728	(1,156,544)
Total Net Position	<u>\$ 234,889,435</u>	<u>\$ 60,495,369</u>	<u>\$ 36,298,141</u>	<u>\$ 73,900,230</u>	<u>\$ 4,549,822</u>

The accompanying notes are an integral part of these financial statements.

	Business-Type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
	Non-Major Funds				
	Airport	Building Safety	Animal Control	Total	
ASSETS					
Current Assets					
Cash and Investments (Note 3)	\$ 796,560	\$ 13,135,047	\$ 462,765	\$ 170,040,635	\$ 42,088,736
Accounts Receivable	65,846	1,060	360,465	7,564,201	11,318
Leases Receivable (Note 16)	409,372	-	-	454,665	-
Taxes Receivable	-	-	-	296,505	-
Current Portion of Note and Loans Receivable (Note 5)	-	-	-	39,152	-
Supplies	71,558	-	-	71,558	1,206,582
Inventory (Note 11)	-	-	-	40,819	-
Due from Other Governmental Units	26,619	-	-	11,902,310	-
Prepaid Expenses	14,710	-	-	14,710	908,824
Total Current Assets	<u>1,384,665</u>	<u>13,136,107</u>	<u>823,230</u>	<u>190,424,555</u>	<u>44,215,460</u>
Non-Current Assets					
Restricted Cash and Investments (Note 3)	-	-	-	4,365,229	388,464
Leases Receivable	5,539,871	-	-	5,673,286	-
Non-current Portion of Note and Loans Receivable (Note 5)	-	-	-	95,128	-
Capital Assets (Note 6)					
Land	3,000,590	-	-	26,148,966	-
Construction in Progress	-	-	-	4,328,694	1,512
Buildings	6,469,160	-	6,750,891	58,373,201	654,910
Improvements Other Than Buildings	13,511,504	-	-	231,882,974	218,785
Machinery, Equipment and Vehicles	1,093,596	296,067	33,750	75,224,199	36,659,717
Infrastructure	-	-	-	153,417,062	-
Accumulated Depreciation	(12,605,976)	(148,063)	(1,193,756)	(177,619,152)	(23,454,371)
Total Non-Current Assets	<u>17,008,745</u>	<u>148,004</u>	<u>5,590,885</u>	<u>381,889,587</u>	<u>14,469,017</u>
Total Assets	<u>18,393,410</u>	<u>13,284,111</u>	<u>6,414,115</u>	<u>572,314,142</u>	<u>58,684,477</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension Related (Note 10)	119,483	525,274	221,555	3,803,070	795,284
Total Deferred Outflows of Resources	<u>119,483</u>	<u>525,274</u>	<u>221,555</u>	<u>3,803,070</u>	<u>795,284</u>
LIABILITIES					
Current Liabilities					
Accounts, Interest and Contracts Payable	216,085	762,805	23,220	7,193,180	484,597
Advances from Grantors and Third Parties	-	-	-	2,856,360	-
Accrued Personnel Costs	-	-	-	-	2,275
Customer Deposits	-	142,096	480	1,430,452	-
Current Portion of Long-Term Liabilities (Note 7):					
Compensated Absences	20,373	16,586	8,422	207,273	1,214,672
Certificates of Participation and Loans	-	-	466,049	3,920,783	-
Liability for Self-insured Claims (Note 11)	-	-	-	-	859,236
Total Current Liabilities	<u>236,458</u>	<u>921,487</u>	<u>498,171</u>	<u>15,608,048</u>	<u>2,560,780</u>
Non-Current Liabilities					
Advance from Other Funds (Note 4B)	-	-	-	-	-
Unearned Revenue	-	23,155	-	63,974	-
Non-current Portion of Long-term Liabilities (Note 7):					
Compensated Absences	35,723	129,840	39,233	1,000,518	4,806,292
Certificates of Participation and Loans	-	-	2,585,089	91,330,046	-
Liability for Self-insured Claims (Note 11)	-	-	-	-	7,162,970
Net Pension Liability (Note 10)	664,660	2,921,985	1,232,465	21,155,679	4,423,998
Total Non-Current Liabilities	<u>700,383</u>	<u>3,074,980</u>	<u>3,856,787</u>	<u>113,550,217</u>	<u>16,393,260</u>
Total Liabilities	<u>936,841</u>	<u>3,996,467</u>	<u>4,354,958</u>	<u>129,158,265</u>	<u>18,954,040</u>
DEFERRED INFLOWS OF RESOURCES					
Pension Related (Note 10)	283,937	1,248,246	526,499	9,037,520	1,889,893
Lease Related (Note 16)	5,878,774	-	-	6,056,204	-
Total Deferred Inflows of Resources	<u>6,162,711</u>	<u>1,248,246</u>	<u>526,499</u>	<u>15,093,724</u>	<u>1,889,893</u>
NET POSITION (Note 9)					
Net Investment in Capital Assets	11,468,874	148,004	2,539,747	276,505,115	14,080,553
Restricted for:					
Debt Service	-	-	-	4,365,229	-
Capital Projects	114,288	-	-	6,629,471	145,619
Unrestricted	(169,821)	8,416,668	(785,534)	144,365,408	24,409,656
Total Net Position	<u>\$ 11,413,341</u>	<u>\$ 8,564,672</u>	<u>\$ 1,754,213</u>	<u>431,865,223</u>	<u>\$ 38,635,828</u>
Adjustments to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds				<u>(2,623,668)</u>	
Net Position of Business-Type Activities				<u>\$ 429,241,555</u>	

The accompanying notes are an integral part of these financial statements.

CITY OF VISALIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Business-Type Activities - Enterprise Funds				
	Major Funds				Non-Major Fund
	Water Reclamation Facility	Storm Sewer Maintenance	Solid Waste	Transit	Convention Center
OPERATING REVENUES					
Charges for Services	\$ 29,651,281	\$ 1,323,551	\$ 21,573,595	\$ 5,160,837	\$ 1,547,005
Operating Grants and Contributions	-	-	171,420	13,851,052	-
Total Operating Revenues	<u>29,651,281</u>	<u>1,323,551</u>	<u>21,745,015</u>	<u>19,011,889</u>	<u>1,547,005</u>
OPERATING EXPENSES					
Salaries, Wages and Employee Benefits	3,450,109	684,527	6,754,997	787,844	(759,608)
Maintenance and Operations	14,285,031	1,105,153	12,705,073	15,792,353	875,017
Insurance Premiums and Loss Provisions	-	-	-	-	-
Depreciation and Amortization	5,528,474	824,208	1,456,588	2,935,953	755,430
Total Operating Expenses	<u>23,263,614</u>	<u>2,613,888</u>	<u>20,916,658</u>	<u>19,516,150</u>	<u>870,839</u>
Operating Income (Loss)	<u>6,387,667</u>	<u>(1,290,337)</u>	<u>828,357</u>	<u>(504,261)</u>	<u>676,166</u>
NONOPERATING REVENUES (EXPENSES)					
Interest Income	(2,611,020)	(23,611)	(942,432)	(1,129,490)	(7,493)
Interest Expense	(1,831,163)	-	-	-	(249,723)
Other Income	1,486,265	65,710	638,562	811,646	101,361
Other Expenses	(169,542)	(47,522)	(226,971)	(207,305)	(13,352)
Total Nonoperating Revenues (Expenses)	<u>(3,125,460)</u>	<u>(5,423)</u>	<u>(530,841)</u>	<u>(525,149)</u>	<u>(169,207)</u>
Income (Loss) Before Contributions and Transfers	<u>3,262,207</u>	<u>(1,295,760)</u>	<u>297,516</u>	<u>(1,029,410)</u>	<u>506,959</u>
Capital Grants and Contributions	377,273	1,567,411	-	3,201,058	-
Transfers In (Note 4A)	-	300,000	-	-	1,917,474
Net Contributions and Transfers	<u>377,273</u>	<u>1,867,411</u>	<u>-</u>	<u>3,201,058</u>	<u>1,917,474</u>
Change in Net Position	<u>3,639,480</u>	<u>571,651</u>	<u>297,516</u>	<u>2,171,648</u>	<u>2,424,433</u>
Net Position - Beginning	<u>231,090,459</u>	<u>59,923,718</u>	<u>36,000,625</u>	<u>71,979,001</u>	<u>2,125,389</u>
Prior Period Adjustment (Note 14)	159,496	-	-	(250,419)	-
Net Position - Beginning, as restated	<u>231,249,955</u>	<u>59,923,718</u>	<u>36,000,625</u>	<u>71,728,582</u>	<u>2,125,389</u>
Net Position - Ended	<u>\$ 234,889,435</u>	<u>\$ 60,495,369</u>	<u>\$ 36,298,141</u>	<u>\$ 73,900,230</u>	<u>\$ 4,549,822</u>

The accompanying notes are an integral part of these financial statements.

	Business-Type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
	Non-Major Funds				
	Airport	Building Safety	Animal Control	Total	
OPERATING REVENUES					
Charges for Services	\$ 2,313,055	\$ 5,771,399	\$ 636,081	\$ 67,976,804	\$ 30,255,033
Operating Grants and Contributions	-	-	7,604	14,030,076	-
Total Operating Revenues	2,313,055	5,771,399	643,685	82,006,880	30,255,033
OPERATING EXPENSES					
Salaries, Wages and Employee Benefits	516,951	1,709,816	985,046	14,129,682	8,785,979
Maintenance and Operations	1,654,767	1,298,427	605,853	48,321,674	6,019,637
Insurance Premiums and Loss Provisions	-	-	-	-	17,769,534
Depreciation and Amortization	339,315	19,184	171,982	12,031,134	1,902,559
Total Operating Expenses	2,511,033	3,027,427	1,762,881	74,482,490	34,477,709
Operating Income (Loss)	(197,978)	2,743,972	(1,119,196)	7,524,390	(4,222,676)
NONOPERATING REVENUES (EXPENSES)					
Interest Income	63,019	(360,980)	(14,068)	(5,026,075)	(1,023,971)
Interest Expense	(4,027)	-	(116,951)	(2,201,864)	-
Other Income	250,840	1,127	465	3,355,976	1,539,507
Other Expenses	-	-	-	(664,692)	(37,396)
Total Nonoperating Revenues (Expenses)	309,832	(359,853)	(130,554)	(4,536,655)	478,140
Income (Loss) Before Contributions and Transfers	111,854	2,384,119	(1,249,750)	2,987,735	(3,744,536)
Capital Grants and Contributions	1,899,246	-	-	7,044,988	2,272,489
Transfers In (Note 4A)	-	-	1,618,476	3,835,950	5,000,000
Net Contributions and Transfers	1,899,246	-	1,618,476	10,880,938	7,272,489
Change in Net Position	2,011,100	2,384,119	368,726	13,868,673	3,527,953
Net Position - Beginning	9,402,241	6,180,553	1,385,487	418,087,473	35,107,875
Prior Period Adjustment (Note 14)	-	-	-	(90,923)	-
Net Position - Beginning, as restated	9,402,241	6,180,553	1,385,487	417,996,550	35,107,875
Net Position - Ended	\$ 11,413,341	\$ 8,564,672	\$ 1,754,213	431,865,223	\$ 38,635,828
Adjustments to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds				(992,329)	
Change in Net Position of Business-Type Activities				\$ 12,876,344	

The accompanying notes are an integral part of these financial statements.

CITY OF VISALIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Business-Type Activities - Enterprise Funds				
	Major Funds				Non-Major Fund
	Water Reclamation Facility	Storm Sewer Maintenance	Solid Waste	Transit	Convention Center
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Customers or Other Funds	\$ 28,482,667	\$ 1,317,169	\$ 21,557,255	\$ 17,499,731	\$ 1,425,307
Cash Payments to Employees for Services	(4,043,403)	(623,659)	(6,253,203)	(834,683)	(1,162,438)
Cash Payments to Suppliers for Services	(13,152,523)	(1,071,604)	(11,145,447)	(15,057,196)	(798,738)
Cash Received from (Payments to) Other Governments	4,658	-	1,446,825	-	-
Other Income	1,645,761	65,710	638,562	811,646	101,361
Other Payments	(169,542)	(47,522)	(226,971)	(457,724)	(13,352)
Net Cash Provided (Used) by Operating Activities	<u>12,767,618</u>	<u>(359,906)</u>	<u>6,017,021</u>	<u>1,961,774</u>	<u>(447,860)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Advance (to) from Other Funds	25,216	-	-	350,340	-
Transfers In	-	300,000	-	-	1,917,474
Transfers (Out)	-	-	-	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>25,216</u>	<u>300,000</u>	<u>-</u>	<u>350,340</u>	<u>1,917,474</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital Payments	(2,199,721)	(1,591,277)	(1,551,345)	(3,707,262)	(66,042)
Capital Grants Received	-	-	-	3,201,058	-
Contributions	377,273	1,567,411	-	-	-
Long-Term Debt Payments - Principal	(2,490,646)	-	-	-	(838,402)
Long-Term Debt Payments - Interest	(1,831,163)	-	-	-	(295,091)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(6,144,257)</u>	<u>(23,866)</u>	<u>(1,551,345)</u>	<u>(506,204)</u>	<u>(1,199,535)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest Earnings	(2,611,020)	(23,611)	(942,432)	(1,129,490)	(7,493)
Net Cash Provided by Investing Activities	<u>(2,611,020)</u>	<u>(23,611)</u>	<u>(942,432)</u>	<u>(1,129,490)</u>	<u>(7,493)</u>
Net Increase (Decrease) in Cash and Investments	4,037,557	(107,383)	3,523,244	676,420	262,586
Cash and Investments - Beginning of Year	<u>87,082,910</u>	<u>869,748</u>	<u>28,274,501</u>	<u>35,141,450</u>	<u>250,459</u>
Cash and Investments - End of Year	<u>\$ 91,120,467</u>	<u>\$ 762,365</u>	<u>\$ 31,797,745</u>	<u>\$ 35,817,870</u>	<u>\$ 513,045</u>
Consisting of:					
Unrestricted	\$ 86,755,239	\$ 762,365	\$ 31,797,745	\$ 35,817,870	\$ 513,044
Restricted	4,365,228	-	-	-	1
Total Cash and Investments	<u>\$ 91,120,467</u>	<u>\$ 762,365</u>	<u>\$ 31,797,745</u>	<u>\$ 35,817,870</u>	<u>\$ 513,045</u>

The accompanying notes are an integral part of these financial statements.

	Business-Type Activities - Enterprise Funds				
	Major Funds				Non-Major Fund
	Water Reclamation Facility	Storm Sewer Maintenance	Solid Waste	Transit	Convention Center
Reconciliation of Operating Income (Loss) to					
Cash Flows from Operating Activities:					
Operating Income (Loss)	\$ 6,503,786	\$ (1,126,364)	\$ 2,310,047	\$ (558,489)	\$ (1,108,096)
Other Income	1,645,761	65,710	638,562	811,646	101,361
Other Payments	(169,542)	(47,522)	(226,971)	(457,724)	(13,352)
Adjustments to Reconcile Operating Income (Loss) to Net					
Cash Flows from Operating Activities:					
Depreciation and Amortization	5,528,474	824,208	1,456,588	2,935,953	755,430
Net Change in Assets and Liabilities:					
Accounts and Interest Receivable	(1,168,614)	(6,382)	(185,798)	(104,152)	(121,698)
Taxes Receivable	4,658	-	(1,962)	(1,408,006)	-
Supplies	-	-	-	-	-
Due from Other Governments	-	-	1,446,825	-	-
Prepaid Expenses	-	-	-	-	-
Accounts and Contracts Payable	613,586	33,549	1,559,626	735,157	50,559
Deferred Outflows Pensions	2,138,545	311,414	3,054,429	734,500	36,105
Deferred Inflows Pensions & Leases	162,220	23,623	231,695	42,257	475,974
Unearned Revenue	(159,496)	-	-	-	-
Accrued Personnel Costs	-	-	-	-	-
Compensated Absences	15,524	2,460	55,513	18,799	23,565
Other Liability	(3,025,702)	(440,602)	(4,321,533)	(788,167)	(673,428)
Liability for Self-Insurance Claims	-	-	-	-	-
Customer Deposits	678,418	-	-	-	25,720
Net Cash Provided (Used) by Operating Activities	<u>\$ 12,767,618</u>	<u>\$ (359,906)</u>	<u>\$ 6,017,021</u>	<u>\$ 1,961,774</u>	<u>\$ (447,860)</u>

The accompanying notes are an integral part of these financial statements.

CITY OF VISALIA
STATEMENT OF CASH FLOWS (Continued)
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Business-Type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
	Non-Major Funds				
	Airport	Building Safety	Animal Control	Total	
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Customers or Other Funds	\$ (3,647,732)	\$ 5,770,707	\$ 583,983	\$ 72,989,087	\$ 30,455,400
Cash Payments to Employees for Services	5,358,860	(2,094,678)	(1,013,815)	(10,667,019)	(3,267,372)
Cash Payments to Suppliers for Services	(1,636,058)	(1,544,521)	(620,946)	(45,027,033)	(25,970,611)
Cash Received from (Payments to) Other Governments	(26,619)	-	-	1,424,864	-
Other Income	250,840	1,127	465	3,515,472	1,539,507
Other Payments	-	-	-	(915,111)	(37,396)
Net Cash Provided (Used) by Operating Activities	299,291	2,132,635	(1,050,313)	21,320,260	2,719,528
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Advance (to) from Other Funds	(1,367,284)	-	-	(991,728)	-
Transfers In	-	-	1,618,476	3,835,950	5,000,000
Transfers (Out)	(4,027)	-	-	(4,027)	-
Net Cash Provided (Used) by Noncapital Financing Activities	(1,371,311)	-	1,618,476	2,840,195	5,000,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital Payments	(94,035)	-	-	(9,209,682)	(1,784,700)
Capital Grants Received	1,899,246	-	-	5,100,304	-
Contributions	-	-	-	1,944,684	2,272,489
Long-Term Debt Payments - Principal	-	-	(450,376)	(3,779,424)	-
Long-Term Debt Payments - Interest	-	-	(116,951)	(2,243,205)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	1,805,211	-	(567,327)	(8,187,323)	487,789
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest Earnings	63,019	(360,980)	(14,068)	(5,026,075)	(1,023,971)
Net Cash Provided by Investing Activities	63,019	(360,980)	(14,068)	(5,026,075)	(1,023,971)
Net Increase (Decrease) in Cash and Investments	796,210	1,771,655	(13,232)	10,947,057	7,183,346
Cash and Investments - Beginning of Year	350	11,363,392	475,997	163,458,807	35,293,854
Cash and Investments - End of Year	\$ 796,560	\$ 13,135,047	\$ 462,765	\$174,405,864	\$ 42,477,200
Consisting of:					
Unrestricted	\$ 796,560	\$ 13,135,047	\$ 462,765	\$170,040,635	\$ 42,088,736
Restricted	-	-	-	4,365,229	388,464
Total Cash and Investments	\$ 796,560	\$ 13,135,047	\$ 462,765	\$174,405,864	\$ 42,477,200

The accompanying notes are an integral part of these financial statements.

	Business-Type Activities - Enterprise Funds				Governmental Activities Internal Service Funds Funds
	Non-Major Funds				
	Airport	Building Safety	Animal Control	Total	
Reconciliation of Operating Income (Loss) to					
Cash Flow s from Operating Activities:					
Operating Income (Loss)	\$ (117,831)	\$ 2,746,299	\$ (983,888)	\$ 7,665,464	\$ 1,295,931
Other Income	250,840	1,127	465	3,515,472	1,539,507
Other Payments	-	-	-	(915,111)	(37,396)
Adjustments to Reconcile Operating Income (Loss) to Net					
Cash Flow s from Operating Activities:					
Depreciation and Amortization	339,315	19,184	171,982	12,031,134	1,902,559
Net Change in Assets and Liabilities:					
Accounts and Interest Receivable	(5,960,787)	(692)	(59,702)	(7,607,825)	(1,989)
Taxes Receivable	-	-	-	(1,405,310)	-
Supplies	(28,241)	-	-	(28,241)	(67,816)
Due from Other Governments	(26,619)	-	-	1,420,206	-
Prepaid Expenses	(1,294)	-	-	(1,294)	94,472
Accounts and Contracts Payable	48,244	(244,808)	(15,093)	2,780,820	(1,370,819)
Deferred Outflow s Pensions	20,176	1,169,296	493,198	7,957,663	-
Deferred Inflow s Pensions & Leases	6,144,753	88,698	37,412	7,206,632	-
Unearned Revenue	-	(5,514)	-	(165,010)	-
Accrued Personnel Costs	-	-	-	-	(30,583)
Compensated Absences	7,052	9,185	3,110	135,208	202,356
Other Liability	(376,317)	(1,654,368)	(697,797)	(11,977,914)	-
Liability for Self-Insurance Claims	-	-	-	-	(806,694)
Customer Deposits	-	4,228	-	708,366	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 299,291</u>	<u>\$ 2,132,635</u>	<u>\$ (1,050,313)</u>	<u>\$ 21,320,260</u>	<u>\$ 2,719,528</u>

The accompanying notes are an integral part of these financial statements.

FIDUCIARY FUNDS

Custodial funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments. The financial activities of these funds are excluded from the Government-wide financial statements but are presented in separate Fiduciary Fund financial statements.

The Fiduciary Funds include the following Custodial Funds:

Property and Business Improvement District #5 (PBID)

The City collects the district's assessments on real property in the district to improve the district. The effective dates for the district are January 1, 2020 through December 31, 2029.

Village West Improvement District (Village West)

The City collects the district's assessments on real property in the district to repay bonds for the repair of a private street.

Orchard Walk Underground Utilities District (Orchard Walk)

The City collects the district's assessments on real property in the district to pay for underground utilities.

Atwood Water Main Assessment District (Atwood)

The City collects the district's assessments on real property in the district to repay bonds for connection to the Cal Water main extension.

Laura Water Main Assessment District (Laura)

The City collects the district's assessments on real property in the district to repay bonds for connection to the Cal Water main extension.

Visalia Tourism & Marketing District (VTMD)

The City collects the district's assessments on room nights in the district to pay for promotion of travel and tourism specific to Visalia.

The Fiduciary Funds also include the following Private Purpose Trust Fund:

Successor Agency

The Successor Agency is responsible for the wind down of the affairs of the dissolved Redevelopment Agency of the City of Visalia (RDA). It is responsible for fulfilling the obligations of the former RDA and is also responsible for revenue collection, maintaining bond reserves, and disposing of excess property. The Successor Agency is overseen by an oversight board which is comprised primarily of representatives of other affected taxing agencies and the City.

CITY OF VISALIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2022

	Custodial Funds	Successor Agency Private Purpose Trust Fund
ASSETS		
Cash and Investments (Note 3)	\$ 486,041	\$ 178,400
Restricted Cash and Investments (Note 3)	-	495,207
Accounts Receivable	164,752	-
District Assesment Receivable	106,014	-
Notes and Loan Receivable (Note 5)	-	125,951
Land Held For Resale	-	2,824,503
	<u>756,807</u>	<u>3,624,061</u>
LIABILITIES		
Accounts, Interest, and Contracts Payable	72,826	41,690
Deposits	41,124	-
Due to City	113,383	-
Long - Term Liabilities (Note 7):		
Due Within One Year	-	338,346
Due in More Than One Year	-	14,146,119
Total Long - Term Liabilities	<u>-</u>	<u>14,484,465</u>
Total Liabilities	<u>227,333</u>	<u>14,526,155</u>
NET POSITION		
Restricted for:		
Held in Trust	-	(10,902,094)
Individuals, Organizations, and Other Governments	<u>529,474</u>	<u>-</u>
Total Net Position	<u>\$ 529,474</u>	<u>\$ (10,902,094)</u>

The accompanying notes are an integral part of these financial statements.

CITY OF VISALIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Custodial Funds	Successor Agency Private Purpose Trust Fund
	<u> </u>	<u> </u>
Additions		
Redevelopment Property Taxes Trust Funds	\$ -	\$ 1,021,614
Use of Money and Property	188	27,935
Revenue from District Assessments	1,444,064	-
Miscellaneous Revenue	86,877	1,819
Total Additions	<u>1,531,129</u>	<u>1,051,368</u>
Deductions		
Obligation Requirements		
Interest on Bonds and Notes Payable	<u>22,680</u>	<u>358,981</u>
Total Obligation Requirements	<u>22,680</u>	<u>358,981</u>
Administrative Expenses	<u>9,570</u>	<u>29,908</u>
Total Administrative Expenses	<u>9,570</u>	<u>29,908</u>
Distribution of District Assessment	<u>1,313,630</u>	<u>-</u>
Total Distribution of District Assessment	<u>1,313,630</u>	<u>-</u>
Total Deductions	<u>1,345,880</u>	<u>388,889</u>
Change in Net Position	185,249	662,479
Net Position - Beginning of Year	<u>344,225</u>	<u>(12,012,668)</u>
Prior Period Adjustment (Note 14)	<u>-</u>	<u>448,095</u>
Net Position (Deficit) - Beginning of Year, as restated	<u>344,225</u>	<u>(11,564,573)</u>
Net Position (Deficit) - End of Year	<u>\$ 529,474</u>	<u>\$ (10,902,094)</u>

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS



Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2022

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Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Visalia, California (“the City”) was founded in 1852 and incorporated in 1874. It became a charter city in 1923. The City operates under the Council-Manager form of government and provides the following services: public safety (police and fire), highways and streets, wastewater, solid waste, transit, street sweeping, airport facilities, culture-recreation, public improvements, planning and zoning, general administration services, and redevelopment.

The financial statements and accounting policies of the City conform with generally accepted accounting principles in the United States of America applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting policies are summarized below.

A. Reporting Entity

As required by generally accepted accounting principles in the United States of America, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are in substance, part of the City’s operations and so data from these units are combined with data of the primary government. Each component unit has a June 30 year-end. The blended component unit included in the City’s financial statements is identified below with a brief explanation of the reason for its inclusion.

The **Visalia Public Finance Authority** (VPFA) was established pursuant to a joint exercise of powers dated February 1991, by and between the City and the Visalia Community Redevelopment Agency. The VPFA has the power to issue bonds to pay the cost of any public capital improvements. The VPFA is controlled by the City and has the same governing body as the City, which also performs accounting and administrative functions for the VPFA. The financial activities of the VPFA are included in the 2014 Refunding Certificates of Participation Debt Service Fund and the Convention Center Enterprise Fund.

Financial statements or financial information for the above component unit may be obtained from the City of Visalia at 707 West Acequia, Visalia, California 93291.

The financial statements exclude the following:

On June 2, 2003, the **Visalia Civic Facilities Authority** (VCFA) joint powers agreement was established by the City and the Visalia Unified School District (VUSD). The VCFA has the authority to issue bonds, incur indebtedness, and enter into agreements to acquire real property. The VCFA is administered by the Board of Directors, which consists of four members, two from the City Council and two from the VUSD. The VCFA is not a component unit of the City.

The **Downtown Improvement District** was incorporated under the Nonprofit Public Benefit Corporation Law of the State of California for the purpose of making improvements in the City’s downtown area. The City collects the district’s assessment revenue on behalf of the district. The district has the sole discretion on how revenues are to be spent. A twenty-one member Board, comprised of mainly downtown land and business owners, governs the district. A Council member is a sitting member of the Board. The district is accounted for in the Property and Business Improvement District Agency Funds. The district is not a component unit of the City.

The **Village West Assessment District** (VWAD) was established to collect the district’s assessments on real property in the district to repay bonds for the repair of a private street. The VWAD is not a component unit of the City.

Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

The **Orchard Walk Underground Utilities District (OWUUD)** was established to collect assessments on real property in the district to repay bonds for underground utilities. The OWUUD is not a component unit of the City.

The **Atwood Assessment District (AAD)** was established to collect assessments on real property in the district to repay bonds for Cal Water main extensions. The AAD is not a component unit of the City.

The **Laura Assessment District (LAD)** was established to collect assessments on real property in the district to repay bonds for Cal Water main extensions. The LAD is not a component unit of the City.

The **Visalia Tourism & Marketing District (VTMD)** was established to collect assessments on room nights in the district to pay for promotion of travel and tourism specific to Visalia. The VTMD is not a component unit of the City.

The **Visalia Redevelopment Successor Agency (Successor Agency)** accounts for assets transferred from the former redevelopment agency (RDA) which was dissolved as of January 31, 2012. The sole purpose of this fund is to retire debt of the former RDA.

B. Basis of Presentation

The City's Basic Financial Statements are prepared in accordance with generally accepted accounting principles in the United States of America. The Governmental Accounting Standards Board is the acknowledged standard-setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

The accompanying financial statements are presented on the basis set forth in Governmental Accounting Standards Board Statements No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*; No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*; No. 36, *Recipient Reporting for Certain Non-exchange Revenues, an Amendment of GASB Statement No. 33*; No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments; Omnibus*; and No. 38, *Certain Financial Statement Note Disclosures*.

Government-wide Statements: The Statement of Net Position and the Statement of Activities display information about the primary government (the City and its component unit). These statements include the financial activities of the overall City government, except for fiduciary activities. Certain eliminations have been made as prescribed by GASB statement No. 34 to minimize the double counting of internal activities in regard to inter-fund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated. The following inter-fund activities have been eliminated:

- Due to/from other funds
- Advances to/from other funds
- Transfers in/out

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued)

These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients for goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the City's funds, including fiduciary funds and the blended component unit. Separate statements for each fund category - *governmental*, *proprietary*, and *fiduciary* - are presented. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each of which is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

C. Major Funds

GASB Statement No. 34 defines major funds and requires that the City's major governmental and business-type funds be identified and presented separately in the fund financial statements. All other funds, called non-major funds, are combined, and reported in a single column, regardless of their fund type.

Major funds are defined as funds that have either assets, liabilities, revenues, or expenditures/expenses equal to ten percent of their fund type total and five percent of the grand total. The General Fund is always a major fund. The City may also select other funds it believes should be presented as major funds.

The City reported the following major governmental funds in the accompanying financial statements.

Governmental major funds include:

General Fund is used to account for all the general revenues of the City not specifically levied or collected for other City funds and their related expenditures. The General Fund accounts for all financial resources of a governmental unit which are not accounted for in another fund. The General Fund includes the Emergency Reserve Fund.

Measure N - Special Revenue Fund is used to account for increased Police, Fire, Streets, and Parks essential services. Financing is provided by the ½ cent sales tax ballot measure (N) approved by voters during the November 8, 2016 election.

Housing & Community Grant - Special Revenue Fund is used to account for the affordable housing and public service needs of the City's low and moderate income households. Financing is provided by Community Development Block Grants (CDBG), the Home Investment Partnership Program (HOME), Neighborhood Stabilization Program (NSP) and

Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Major Funds (Continued)

fees charged for substandard housing and abandoned vehicle abatement. Also, within the CDBG, HOME and NSP programs, when money that was previously loaned out is paid back; it again becomes available for use in the rehabilitation and development programs.

Housing Successor Agency - Special Revenue Fund accounts for assets transferred from the former low/mod redevelopment housing assets of the former Redevelopment Agency which was dissolved as of January 31, 2012. The use of these assets is for affordable housing as governed by redevelopment law before the dissolution. Revenue earned in this fund is derived from the receipt of payment on notes and loans receivable outstanding in the fund.

American Rescue Plan Act - Special Revenue Fund established to track and account for American Rescue Plan Act federal grant funding. Monies can only be used according to the plan guidelines.

Transportation - Capital Project Fund is used to account for the financing and construction of streets, roads, and various transportation infrastructure and facilities. Funding is provided by Transportation Impact Fees.

Civic Center - Capital Project Fund is used to account for the construction of the Civic Center and related capital improvement projects. Revenue is collected from land sales, one time monies such as incentive revenues and General Fund surplus or other transfers authorized by City Council.

The City reported the following major enterprise funds in the accompanying financial statements.

Enterprise major funds include:

Water Reclamation Facility Fund is used to account for the collection, treatment and disposal of wastewater. Revenue is provided by user charges and impact fees as well as limited grant funding. Formerly known as the Wastewater Fund.

Storm Sewer Maintenance Fund is used to account for the operations of the City's storm and sewer drain activity. Revenue is provided by user charges and impact fees as well as limited grant funding.

Solid Waste Fund is used to account for the operations of collecting and disposing of solid waste and street sweeping activities. Revenues are provided by user charges and limited grant funding.

Transit Fund is used to account for the operations of the City's transit activities. Revenue is provided by state transportation funds, federal grants, and passenger fares.

The City also reports the following fund types:

Internal Service Funds The funds account for fleet services, vehicle replacement, information services, risk management, health benefits, compensated absences, and building maintenance; all of which are provided to other departments on a cost-reimbursement basis.

Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Major Funds (Continued)

Fiduciary Funds Custodial and Private Purpose Trust Funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments. Custodial funds use the economic resources measurement focus. The financial activities of these funds are excluded from the Government-wide financial statements but are presented in separate Fiduciary Fund financial statements. Custodial Funds maintained by the City are the Property and Business Improvement District #5 Funds, Village West Improvement District, Orchard Walk Underground Utilities District, Atwood Water Main Assessment District, Laura Water Main Assessment District, and the Visalia Tourism & Marketing District. A Private Purpose Trust Fund maintained by the City is the Redevelopment Successor Agency.

D. Basis of Accounting

The government-wide and proprietary financial statements are reported using the *economic resources measurement focus* and the *full accrual basis* of accounting. The Custodial funds use the economic resources measurement focus and are also reported using the full accrual basis of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place.

Governmental funds are reported using the *current financial resources measurement focus* and the *modified accrual basis* of accounting. Under this method, revenues are recognized when *measurable* and *available*. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within ninety days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Governmental capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as *other financing sources*.

Those revenues susceptible to accrual are federal and state grants and subventions, property taxes, sales taxes, franchise taxes, transient occupancy taxes, certain charges for services and interest revenue. Fines, licenses, and permits, and charges for services are not susceptible to accrual because they are not measurable until received in cash.

Non-exchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, include taxes, grants, entitlements, and contributions. On the accrual basis of accounting, revenue from taxes is recognized in the fiscal year for which the taxes are levied or assessed. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The City may fund programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net position may be available to finance program expenditures. The City's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary. Certain indirect costs are included in program expenses reported for individual functions, activities, and interest.

E. Property Tax

Tulare County (the County) assesses properties, and it bills, collects, and distributes property taxes to the City. The County remits the taxes periodically throughout the year, as they are paid, with the largest amounts in December and April of each year. Secured and unsecured property taxes are levied on January 1 of the preceding fiscal year.

Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Property Tax (Continued)

Secured property tax is due in two installments, on November 1 and March 1, and becomes a lien on those dates. It becomes delinquent on December 10 and April 10, respectively. Unsecured property tax is due on July 1 and becomes delinquent on August 31. Collection of delinquent accounts is the responsibility of the County. Delinquent property taxes are remitted by the County, to the City, periodically throughout the year as they are paid.

The term “unsecured” refers to taxes on personal property other than real estate, land and buildings. These taxes are secured by liens on the property being taxed. Property tax revenues are recognized by the City in the fiscal year they are assessed provided they become available as defined above.

F. Compensated Absences

Compensated absences comprise unused vacation leave, vested sick pay and certain compensated time off, which are accrued as earned. An employee retiring with 10 years or more of continuous service with the City will be compensated for unused sick leave at 30% of its value on their retirement date. An employee resigning from the City in good standing with 20 years or more of continuous service with the City will be compensated for unused sick leave at 30% of its value on their resignation date. The City’s liability for compensated absences is recorded in Proprietary Funds and Internal Service Funds as appropriate. The liability for compensated absences is determined annually. Compensated absences are liquidated by the fund that has recorded the liability. The governmental activities compensated absences are liquidated by the Compensated Absences Internal Service Fund.

G. Land Held for Redevelopment

Land held for redevelopment is stated at the lower of historical cost or net realizable value, if estimable.

H. Capital Assets

Capital assets, in general, are those purchased or acquired with an original cost of \$5,000 or more. Infrastructure, Land, and technology equipment are included regardless of cost. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value.

With the implementation of GASB Statement No. 34 during the 2002-03 fiscal year, the City has recorded all its public domain (infrastructure) capital assets, which include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems. GASB Statement No. 34 requires that all capital assets with limited useful lives be depreciated over their estimated useful lives.

The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year’s pro rata share of the cost of capital assets. Depreciation is calculated using the straight-line method, which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The City has assigned the standard useful lives listed below to capital assets. Several asset categories have ranges for the useful lives to cover a wide range of assets that are listed in each asset class. The useful life will be consistent for each individual type of asset.

Buildings, storage buildings, and restrooms	10 - 50 years
Improvements other than buildings	20 - 40 years
Infrastructure	40 – 100 years
Machinery, equipment, and vehicles	2 - 25 years

Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Capital Assets (Continued)

The City of Visalia Capital Asset Capitalization Policy, which contains more detail concerning the standard useful lives of individual asset types within the categories listed above, may be obtained from the City of Visalia at 707 West Acequia, Visalia, California 93291.

Major outlays for capital assets and improvement are capitalized as projects are constructed.

Some capital assets may be acquired using federal and state grant funds, or they may be contributed by developers or other governments. GASB Statement No. 34 requires that these contributions be accounted for as revenues at the time the capital assets are contributed.

I. Inventory

Inventory is comprised of nuts available for sale that the City has harvested and processed from City owned farmlands. This inventory is currently in storage. The method of valuation of the inventory was to take the number of pounds in storage as of June 30, 2022 and to multiply it by the average pool inventory value per pound, using level 2 inputs from Atlas World Food & Agriculture. As of June 30, 2022, nut inventory consisted of 21,272 pounds of walnuts valued at \$76,500 and 65,238 pounds of pecans valued at \$185,914, for a total value of \$262,414. The Governmental funds account for \$221,595 of the total value with \$136,564 in the General Fund and \$85,031 in the Groundwater Recharge Special Revenue fund. The Proprietary funds account for \$40,819 of the total value with \$20,053 in the Water Reclamation Facility fund and \$20,766 in the Storm Sewer Maintenance Fund.

J. Fund Balance

In the Fund financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned or unassigned. Each of these components of fund balance is classified based primarily on the extent to which the City is bound to honor constraints on how specific amounts can be spent.

1. Nonspendable Fund Balance – amounts that are inherently nonspendable such as prepaids, long term receivables, advances, and supplies.
2. Restricted Fund Balance – amounts that have externally enforceable limitations on use that are either imposed by law or constrained by grantors, contributors, or laws and regulations of other governments.
3. Committed Fund Balance – amounts that can only be used for specific purposes determined by resolution of the City's highest level of decision-making authority, the City Council. These committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use through a resolution. The resolution must occur prior to the end of the reporting period; however, the amount can be determined subsequently.
4. Assigned Fund Balance - amounts that are constrained by the City's *intent* to be used for specific purposes, but are neither restricted nor committed, should be reported as assigned fund balance. The intent can be expressed by the City Council itself or by an official to which the governing body has delegated the authority.

Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Fund Balance (Continued)

5. Unassigned Fund Balance - the residual positive net resources of the General Fund in excess of what can properly be classified in one of the other four categories. This amount is reported only in the General Fund except in cases of negative fund balance. Negative fund balances in other governmental funds are reported as Unassigned Fund Balance.

The City Council establishes, modifies, or rescinds fund balance commitments and assignments by passage of an ordinance or resolution. Assignments may be established and modified by the City Council, City Manager, or Finance Director.

The accounting policies of the City consider restricted fund balance to have been spent first when expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the City considers committed amounts to be reduced first, followed by assigned amounts and then unassigned amounts. This Fund Balance policy was established by the City Council June 20, 2011.

K. Net Position

In governmental-wide and proprietary fund financial statements, net positions are categorized as follows:

Net Investment in Capital Assets - This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of those assets and retention payable.

Restricted - This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted - This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

When expenses are incurred for purposes for which both restricted and unrestricted net position are available, the City's policy is to apply restricted net position first, then unrestricted net position as they are needed.

L. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs (other than quoted prices included within Level 1) that are observable for an asset or liability, either directly or indirectly.

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Fair Value Measurements (Continued)

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

M. Encumbrances

The City uses an encumbrance system as an extension of normal budgetary accounting for governmental funds. Under this system purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of applicable appropriations. Encumbrances outstanding at year-end are recorded as restricted, committed, or assigned fund balance, depending on the classification of the resources to be used to liquidate the encumbrance, since they do not constitute expenditures or liabilities. Outstanding encumbrances at year-end are automatically re-appropriated for the following year. Unencumbered and unexpended appropriation lapse at year end except for capital which is rolled to the next fiscal year until project completion. Encumbrances outstanding as of June 30, 2022 were as listed below:

	<u>Amount</u>
General Fund	\$ 595,953
Measure N	9,373,046
Housing & Community Grants	1,087,210
Housing Successor Agency	225,090
American Rescue Plan	977,315
Transportation	404,370
Non-Major Governmental Funds	10,247,748
Water Reclamation Facility	1,616,510
Storm Sewer Maintenance	52,211
Solid Waste	2,555,259
Transit	2,281,308
Convention Center	9,894
Airport	114,288
Vehicle Replacement	89,218
Information Services	56,401
Total	<u>\$ 29,685,821</u>

N. Leases (GASB 87 – Implemented in FY 21-22)

Lessee

The City recognizes lease liabilities and the right-to-use lease assets in the government-wide financial statements. The City currently has lease obligations for buildings and land with land improvements.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made.

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Leases (Continued)

Lease assets are recorded at the amount of the initial measurement of the lease liabilities. Lease assets are amortized using the straight-line method over the lease term as there are currently no purchase options associated with any of the leases.

In calculating the lease liability and lease asset, the City uses key estimates and judgements for (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the incremental borrowing rate provided by the State of California as the discount rate. For this fiscal year the rates were as follows: .20% for a lease term of 0-60 months; .90% for a lease term of 61-120 months; and 1.50% for a lease term of 121 months or more.
- The lease term includes the noncancellable period of the lease as well as any options to extend the lease if the City feels that it will be exercised. Lease payments included in the measurement of the lease liability are composed of fixed payments.
- The City monitors situations that would require a remeasurement of a lease and will remeasure a lease asset and liability if the situation is expected to significantly affect the amount of the lease liability.
- Lease assets are reported as right to use along with other capital assets and lease liabilities are reported with long-term obligations on the statement of net position.

Lessor

The City is a lessor for leases of buildings, office and commercial space, and land. The City recognizes leases receivable and deferred inflows of resources in the financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received.

The deferred inflows of resources are initially measured as the initial amount of the lease receivable. The deferred inflows of resources are recognized as revenue over the life of the lease term in a systematic and rational method.

In calculating the lease receivable and deferred inflows of resources, the City uses key estimates and judgements for (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses the incremental borrowing rate provided by the State of California as the discount rate. For this fiscal year the rates were as follows: .20% for a lease term of 0-60 months; .90% for a lease term of 61-120 months; and 1.50% for a lease term of 121 months or more.
- The lease term includes the noncancellable period of the lease as well as any options to extend the lease if the City feels that it will be exercised. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Leases (Continued)

- The City monitors situations that would require a remeasurement of a lease and will remeasure the lease receivable and deferred inflows of resources if the situation is expected to significantly affect the amount of the lease receivable.

O. Implementation of Accounting Pronouncements

The following GASB Statements has been implemented in the current financial statements:

GASB Statement No. 87, Leases.

The objective of the Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The provisions of this statement are effective for fiscal year 2021-22. The City has implemented this statement for the June 30, 2022 year end.

GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period

The objectives of this statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The provisions of this statement are effective for fiscal year 2021-22. There was no effect on the financial statements as a result of implementing this statement.

GASB Statement No. 92, Omnibus 2020

The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics. The provisions of this statement are effective for fiscal year 2021-22. There was no effect on the financial statements as a result of implementing this statement.

GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation

The primary objectives of this statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The provisions of this statement are effective for fiscal year 2021-22; paragraphs 4 and 5 were effective in fiscal year 2019-20. There was no effect on the financial statements as a result of implementing this statement.

P. Future GASB Pronouncements

The following GASB Statements will be implemented in future financial statements:

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Future GASB Pronouncements (Continued)

GASB Statement No. 91, *Conduit Debt Obligations*

The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The provisions of this statement are effective for fiscal year 2022-23. The City has elected not to implement GASB Statement No. 91 early and has not determined its effects on the City's financial statements.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*

The primary objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The provisions of this statement are effective for fiscal year 2022-23. The City has elected not to implement GASB Statement No. 94 early and has not determined its effects on the City's financial statements.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*

This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The provisions of this statement are effective for fiscal year 2022-23. The City has elected not to implement GASB Statement No. 96 early and has not determined its effects on the City's financial statements.

GASB Statement No. 99, *Omnibus 2022*

The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics. The provisions of this statement are effective for fiscal years 2022-23 and 2023-24. The City has elected not to implement GASB Statement No. 99 early and has not determined its effects on the City's financial statements.

GASB Statement No. 100, *Accounting Changes and Error Corrections*

The primary objective of these Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The provisions of this statement are effective for fiscal year 2023-24. The City has elected not to implement GASB Statement No. 100 early and has not determined its effects on the City's financial statements.

GASB Statement No. 101, *Compensated Absences*

The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The provisions of this statement are effective for fiscal year 2024-25. The City

Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Future GASB Pronouncements (Continued)

has elected not to implement GASB Statement No. 101 early and has not determined its effects on the City's financial statements.

Q. New Funds

During fiscal year 2021-22, the City created the Baseball Fund to account for the maintenance and improvements to the baseball facility. This fund is a non-major governmental fund.

NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING

A. Budgetary Information

Annual budgets are legally required to be adopted by the City Council for all funds to provide for operations, debt service, and capital expenditures of the City. Special Revenue Fund revenues are budgeted by entitlements, subventions, and grants; expenditures and transfers are budgeted based upon available fund resources, which include amounts for encumbrances from prior periods. The City adopts an operating budget for the General Fund; all Special Revenue Funds; all Debt Service Funds and all Capital Projects Funds.

Budgetary controls are set by the City Council within State guidelines. The budgetary basis of accounting is consistent with accounting principles generally accepted in the United States of America applicable to the City's financial statements.

The City Council adopts an operating budget at the beginning of the City's fiscal year. The resolution approving the budget authorizes the City Manager to transfer appropriations within fund budgets including salary, capital accounts, and staffing levels provided that total appropriations are not increased. The legally adopted budget requires expenditures not to exceed total appropriations in each fund. Therefore, budget control is at the fund level, and resides with the Department Head responsible for that fund. The City Council is required to intervene to increase or decrease the adopted budget. Also, City Council approval is required to spend reserves from any fund.

The City adopts a two-year budget. The operating and capital expenditures have two mid-year reviews in each March and one mid-cycle review in June. The City Council is authorized to make appropriation adjustments to the budget during the year as deemed necessary.

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2022

NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING (Continued)

B. Excess of Expenditures

The expenditures of the funds below exceeded their appropriated expenditures as follows. However, sufficient additional resources were available to fund these expenditures.

Major Funds:		
*General Fund	\$	1,378,643
*Measure N	\$	502,908
American Rescue Plan	\$	263,484
Civic Center	\$	6,503
Non-Major Funds:		
Special Revenue Funds:		
Kaweah Lake and Local Stormwater Maintenance	\$	1,398
Northeast Area	\$	41
Grant & Loan Funds	\$	7,301
Golf Course	\$	8,280
Oak Tree Preservation	\$	7,306
Conservation	\$	48
Capital Projects Funds:		
Public Safety Impact Fee	\$	1,125
Facility Improvements	\$	155
Sports Complex	\$	114
Animal Control Reserve	\$	49
Baseball	\$	196,151

*Salary increases were not budgeted at the time of budget adoption.

NOTE 3 - CASH AND INVESTMENTS

The City pools cash from all sources and all funds, except Cash with Fiscal Agents, so that it can be invested at the maximum yield, consistent with safety and liquidity, while individual funds can make expenditures at any time. Investments are carried at fair value.

The City's cash and cash equivalents for statement of cash flows purposes are considered to be cash on hand, demand deposits, restricted cash, and investments held in a cash management investment pool.

Cash and investments as of June 30, 2022, are classified in the Statement of Net Position as follows:

Government-Wide Statement of Net Position:		
Cash and Investments	\$	469,394,847
Restricted Cash and Investments		4,762,378
Fiduciary Funds Statement of Net Position:		
Cash and Investments		664,441
Restricted Cash and Investments		<u>495,207</u>
Total Cash and Investments	\$	<u><u>475,316,873</u></u>

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2022

NOTE 3 - CASH AND INVESTMENTS (Continued)

Cash and investments as of June 30, 2022, consist of the following:

Cash on hand	\$ 11,700
Deposits with financial institutions	10,989,623
Investments	<u>464,315,550</u>
Total Cash and Investments	<u>\$ 475,316,873</u>

A. Investments Authorized by the California Government Code and the City of Visalia's Investment Policy

The table below identifies the **investment types** that are authorized for the City of Visalia by the California Government Code (or the City of Visalia's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City of Visalia's investment policy, where more restrictive) that addresses **interest rate risk**, **credit risk**, and **concentration of credit risk**. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements with the City of Visalia, rather than the general provisions of the California Government Code or the City of Visalia's investment policy.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage Of Portfolio *</u>	<u>Maximum Investment In One Issuer</u>	<u>Credit Risk</u>
Local Agency Bonds	5 years	None	None	None
U.S. Treasury Obligations	5 years	None	None	None
U.S. Agency Securities	5 years	None	None	None
Banker's Acceptances	180 days	40%	30%	None
Commercial Paper	270 days	25%	10%	AAA/Aaa
Negotiable Certificates of Deposit	5 years	30%	None	None
Repurchase Agreements	1 year	20%	None	None
Reverse Repurchase Agreements	92 days	20% of base value	None	None
Medium-Term Notes	5 years	30%	None	A
Mutual Funds	5 years	20%	10%	AAA/Aaa
Money Market Mutual Funds	N/A	20%	10%	AAA/Aaa
Mortgage Pass-Through Securities	5 years	20%	None	None
County Pooled Investment Funds	N/A	None	None	None
Managed Investment Pools (CAMP)	N/A	None	None	None
Local Agency Investment Fund (LAIF)	N/A	None	\$75M	None

* Excluding amounts held by bond trustees that are not subject to California Government Code restrictions.

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2022

NOTE 3 - CASH AND INVESTMENTS (Continued)

B. Investments Authorized by Debt Agreements

Investment of debt proceeds held by the bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City of Visalia’s investment policy. The table below identifies the **investment types** that are authorized for investments held by the bond trustee. The table also identifies certain provisions of these debt agreements that address **interest rate risk**, **credit risk**, and **concentration of credit risk**.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage Of Portfolio</u>	<u>Maximum Investment In One Issuer</u>
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker’s Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	20%	None
Money Market Mutual Funds	N/A	None	None
Mortgage Pass-Through Securities	5 years	20%	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Investment Contracts	30 years	None	None

C. Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City of Visalia manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. The City of Visalia monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. The City of Visalia has no specific limitations with respect to this metric.

<u>Investment Type</u>	<u>Balance at 06/30/2022</u>	<u>Weighted Average Maturity (in Days)</u>	<u>% of Investments</u>
Federal Agency Securities	\$ 157,636,189	234.23	33.95%
U.S. Treasuries	54,170,515	85.20	11.67%
Local Agency Investment Fund	72,244,010	-	15.56%
California Asset Management Program	3,518,177	-	0.76%
Corporate Medium-Term Notes	91,669,034	154.75	19.74%
Municipal Bonds	84,260,270	169.98	18.15%
Local Agency Bonds	313,462	1.42	0.06%
Held by Bond Trustee:			
Money Market Funds	503,893	0.02	0.11%
Total	<u>\$ 464,315,550</u>		

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2022

NOTE 3 - CASH AND INVESTMENTS (Continued)

D. Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

As of June 30, 2022, and during the 2021-2022 fiscal year, the City of Visalia did not hold or purchase investments that were highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above), such as interest only treasury strips or mortgage-backed securities.

E. Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City of Visalia's investment policy, or debt agreements, and the actual rating as of year-end for each investment type. The column marked "not rated" identifies those investment types for which GASB Statement No. 40 does not require disclosure as to credit risk:

<u>Investment Type</u>		<u>Minimum Legal Rating</u>	<u>Moody's Rating</u>	<u>Standard & Poors Rating</u>	<u>% of Portfolio</u>
Federal Agency Securities	\$ 157,636,189	N/A	Aaa	AA+	33.95%
U.S. Treasuries	54,170,515	N/A	Aaa	Not Rated	11.67%
Corporate Medium-Term Notes	999,970	A	Aa2	AA	0.22%
Corporate Medium-Term Notes	7,639,030	A	A1	AA	1.65%
Corporate Medium-Term Notes	2,758,680	A	Aa3	AA-	0.59%
Corporate Medium-Term Notes	4,982,870	A	A1	AA-	1.07%
Corporate Medium-Term Notes	13,402,060	A	A1	A+	2.89%
Corporate Medium-Term Notes	8,421,485	A	A2	A+	1.81%
Corporate Medium-Term Notes	10,791,590	A	A1	A	2.32%
Corporate Medium-Term Notes	12,988,668	A	A2	A	2.80%
Corporate Medium-Term Notes	12,872,710	A	A3	A	2.77%
Corporate Medium-Term Notes	11,463,696	A	A2	A-	2.47%
Corporate Medium-Term Notes	2,347,975	A	A3	A-	0.51%
Corporate Medium-Term Notes	3,000,300	A	A1	BBB+	0.65%
Local Agency Investment Fund	72,244,010	N/A	Not Rated	Not Rated	15.56%
California Asset Management Program	3,518,177	N/A	Not Rated	Not Rated	0.76%
Municipal Bonds	3,340,373	A	Aaa	AAA	0.72%
Municipal Bonds	9,170,500	A	Aa1	AAA	1.98%
Municipal Bonds	6,413,769	A	Not Rated	AAA	1.38%
Municipal Bonds	8,668,120	A	Aaa	AA+	1.87%
Municipal Bonds	802,672	A	Not Rated	AA+	0.17%
Municipal Bonds	3,342,736	A	Aa1	AA	0.72%
Municipal Bonds	1,452,855	A	Aa2	AA	0.31%
Municipal Bonds	3,370,364	A	Not Rated	AA	0.73%
Municipal Bonds	35,629,527	A	Aa2	AA-	7.67%
Municipal Bonds	4,256,145	A	Aa3	AA-	0.92%
Municipal Bonds	3,122,959	A	Aa3	Not Rated	0.67%
Municipal Bonds	4,690,250	A	Aa3	A+	1.01%
Local Agency Bonds	313,462	N/A	Not Rated	Not Rated	0.07%
Held by Bond Trustee:					
Money Market Funds	503,893	A	Aaa-mf	AAAm	0.11%
Total	\$ 464,315,550				100.00%

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2022

NOTE 3 - CASH AND INVESTMENTS (Continued)

F. Concentration of Credit Risk

The investment policy of the City of Visalia contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer (other than external investment pools and debt explicitly guaranteed by the U.S. government) that represents 5% or more of the total City of Visalia investments are as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported</u>
Federal Home Loan Bank	Federal Agency Securities	\$ 45,512,910
Federal Farm Credit Bank	Federal Agency Securities	40,743,924
Federal National Mortgage Association	Federal Agency Securities	29,346,286
Federal Home Loan Mortgage Corporation	Federal Agency Securities	42,033,069
U.S. Treasuries	U.S. Treasuries	54,170,515
State of California Bonds	Municipal Bonds	<u>25,598,746</u>
Total		<u>\$ 237,405,450</u>

G. Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City of Visalia's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

GASB Statement No. 40 requires that the following disclosure be made with respect to custodial credit risks relating to deposits and investments: none of the City of Visalia's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts. As of June 30, 2022, none of the City of Visalia investments were held by the broker-dealer (counterparty) that was used by the City of Visalia to buy the securities.

H. Investment in State Investment Pool

The City of Visalia is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the City of Visalia's investment in this pool is reported in the accompanying financial statements at amounts based upon the City of Visalia's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2022

NOTE 3 - CASH AND INVESTMENTS (Continued)

H. Investment in State Investment Pool (Continued)

The State Treasurer's Office reports its investments at fair value. The fair value of securities in the State Treasurer's pooled investment program, including LAIF, generally is based on quoted market prices. The State Treasurer's Office performs a quarterly fair market valuation of the pooled investment program portfolio. In addition, the State Treasurer's Office performs a monthly fair market valuation of all securities held against carrying cost. At June 30, 2022, these investments matured in an average of 311 days. These valuations and financial statements are posted to the State Treasurer's Office website at www.treasurer.ca.gov

I. Investment in California Asset Management Program

The City of Visalia is a voluntary participant in the California Asset Management Program (CAMP), which is a permitted investment under California Government Code 53601(p). CAMP is directed by a Board of Trustees, which is made up of experienced local government finance directors and treasurers.

J. Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The following is a summary of the fair value hierarchy of the fair value of investments of the City as of June 30, 2022:

<i>Investments by Fair Value Level</i>	Level 1	Level 2	Total
Federal Agency Securities	\$ -	\$ 157,636,189	\$ 157,636,189
U.S. Treasuries	54,170,515	-	54,170,515
Corporate Medium-Term Notes	-	91,669,034	91,669,034
Municipal Bonds	-	84,260,270	84,260,270
Held by Bond Trustee:			
Money market funds	-	503,893	503,893
Subtotal	<u>\$ 54,170,515</u>	<u>\$ 334,069,386</u>	388,239,901
 <i>Investments Measured at Amortized Cost</i>			
Local Agency Bonds			313,462
Local Agency Investment Fund			72,244,010
California Asset Management Program			<u>3,518,177</u>
Total Investments			<u>\$ 464,315,550</u>

U.S. Treasuries totaling \$54.2 million, classified in Level 1 of the fair value hierarchy, are valued at quoted prices in active markets for identical assets. Federal agency securities totaling \$157.6 million, corporate medium-term notes totaling \$91.7 million, municipal bonds totaling \$84.3 million, and money market funds held by the bond Trustee totaling \$.5 million, classified in Level 2 of the fair value hierarchy, are valued using a matrix pricing technique. Matrix pricing is the process of estimating the fair value price of a bond based on the quoted prices of more frequently traded comparable bonds. The Local Agency Investment Fund, California Asset Management Program, and Local Agency Bonds are reported at amortized cost.

Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2022

NOTE 4 - INTERFUND TRANSACTIONS

A. Transfers Among Funds

With City Council approval, resources may be transferred from one City fund to another. Transfers are used in cases when a fund subsidizes another fund as in the case of the General Fund subsidizing the Convention Center, Animal Control, and Baseball Funds. Transfers are also used between Funds to fund capital projects and debt service payments. Transfers between funds during the fiscal year ended June 30, 2022, were as follows:

Fund Receiving Transfer	Fund Making Transfer	Amount Transferred
Governmental Funds:		
General Fund	Grant & Loan Funds - Special Revenue	\$ 134 (B)
Housing & Community Grants	General Fund	30,191 (B)
Debt Service Funds:		
VPFA 2014 Refunding COP	General Fund	127,488 (C)
2015 COP	General Fund	591,165 (C)
2015 COP	Public Safety Impact Fee - Capital Projects	414,541 (C)
2015 COP	Measure T Police - Special Revenue	151,249 (C)
Capital Projects Funds:		
Baseball	General Fund	122,735 (B)
Baseball	General Fund	300,000 (A)
Civic Center	General Fund	14,221,739 (A)
GOVERNMENTAL Funds Sub-Total		<u>15,959,242</u>
Enterprise Funds:		
Animal Control	General Fund	1,051,148 (B)
Animal Control	General Fund	567,328 (C)
Convention Center	General Fund	250,000 (A)
Convention Center	General Fund	575,915 (B)
Convention Center	General Fund	1,091,559 (C)
Storm Sewer Maintenance	Kaweah Lake and Local Storm Water Maintenance - Special Revenue	<u>300,000 (B)</u>
ENTERPRISE Funds Sub-Total		<u>3,835,950</u>
Internal Service Funds:		
Risk Management	General Fund	<u>5,000,000 (B)</u>
INTERNAL SERVICE Funds Sub-Total		<u>5,000,000</u>
TOTAL TRANSFERS		<u>\$ 24,795,192</u>

(A) To fund capital expenses

(B) To fund operating expenses

(C) To fund debt service payments

Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2022

NOTE 4 - INTERFUND TRANSACTIONS (Continued)

B. Long-Term Interfund Advances

At June 30, 2022, the funds below had advance balances which were not expected to be repaid within the next year.

	Advances From Other Funds	Advances To Other Funds
General Fund	\$ -	\$ 1,389,252
Special Revenue Funds:		
Special Service Districts (Landscape & Lighting) (a)	971,223	-
Measure R - Regional (b)	392,008	-
Capital Projects Funds:		
Government Facilities Impact Fee (Library) (c)	26,021	-
Total Advances	<u>\$ 1,389,252</u>	<u>\$ 1,389,252</u>

The repayment plans for each of the above advances are as follows:

- (a) To be repaid through higher assessment fees.
- (b) To be repaid from future Measure R Sales Tax.
- (c) To be repaid from future impact fees.

C. Internal Balances

Internal balances are presented in the Government-wide financial statements only. They represent the net interfund receivables and payables remaining after the elimination of all such balances within governmental and business-type activities.

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2022

NOTE 5 - NOTES AND LOANS RECEIVABLE

A. Current Year Transactions and Balances

	Ref #	Issue Date	Maturity	Balance at June 30, 2021 as restated	Additions	Repayments	Balance at June 30, 2022
GOVERNMENTAL ACTIVITIES							
<u>General Fund</u>							
* Visalia Successor Agency	-	-	-	\$ 11,982,553	\$ 265,544	\$ 170,927	\$ 12,077,170
Visalia Investment Associates	13010-J13044	April 2004	June 2034	316,849	-	316,849	-
Déjà Vu LP B153025	13010-J13084	Jan 2018	June 2023	15,845	-	7,923	7,922
Déjà Vu LP B153018	13010-J13085	Jan 2018	June 2023	92,814	-	46,407	46,407
Déjà Vu LP B153023	13010-J13086	Jan 2018	June 2023	40,021	-	20,010	20,011
101 NW 5th (SHE)	13010-R93009	Nov 2018	Nov 2063	30,578	-	711	29,867
105 NW 5th (SHE)	13010-R93010	Nov 2018	Nov 2063	30,578	-	711	29,867
Subtotal General Fund				12,509,238	265,544	563,538	12,211,244
* Beginning balance as restated (see Note 14 for Prior Period Adjustments)							
<u>Housing & Community Grants</u>							
1001 N Jacob (TCHA)	13010-R94101	May 1996	May 2024	7,400	-	2,400	5,000
Fairview Village (KMC)	13010-R94707	Dec 1994	Dec 2034	120,000	-	-	120,000
Robinwood	13010-J13503	April 2007	April 2036	649,988	-	43,333	606,655
1627 S Garden Public Facility	13010-J13505	Aug 2019	Aug 2039	380,000	-	20,000	360,000
1627 S Garden Public Facility	13010-J13505	Aug 2019	Aug 2039	251,750	-	13,250	238,500
101 N Strawberry	13010-R93003	June 2015	Dec 2045	429,150	-	-	429,150
SHE 517-519 N Encina	13010-R93007	May 2018	May 2048	436,656	-	-	436,656
Visalia Senior Housing III	13010-J13057	Jan 2007	Jan 2062	2,720,193	-	-	2,720,193
Court & Paradise Apts	13010-J13504	Nov 2010	Nov 2066	500,000	-	-	500,000
Highland Gardens	13010-R92000	Sep 2015	Dec 2070	1,980,000	-	-	1,980,000
101 NW 5th (SHE)	13010-R93009	Aug 2019	When Sold	206,679	-	-	206,679
105 NW 5th (SHE)	13010-R93010	Aug 2019	When Sold	223,629	-	-	223,629
113 NW 5th (SHE)	13010-R93011	Aug 2019	When Sold	222,952	-	-	222,952
111 NW 5th (SHE)	13010-R93012	Aug 2019	When Sold	203,119	-	-	203,119
1105 N Court (SHE)	13010-R93008	Aug 2019	When Sold	217,419	-	-	217,419
Lofts Project	13010-CP0478	Feb 2022	Dec 2057	-	1,148,735	-	1,148,735
Sequoia Village Project	13010-CP0479	April 2022	Mar 2057	-	1,069,101	-	1,069,101
Habitat for Humanity Assigned	13411	Various	Various	175,481	-	24,467	151,014
NSP	13418	Various	Various	575,485	-	23,239	552,246
CDBG	13411	Various	Various	818,096	-	42,814	775,282
Cal Home	13412	Various	Various	561,332	-	-	561,332
HOME	13412	Various	Various	2,018,200	-	286,623	1,731,577
Subtotal Housing & Community Grants				12,697,529	2,217,836	456,126	14,459,239
<u>Housing Successor Agency</u>							
Visalia Successor Agency	-	-	-	848,566	-	547,747	300,819
Town Meadows (1)	13010-J13030	April 2001	April 2025	114,000	-	-	114,000
Kaweah Management (1)	13010-J13019	June 1996	Nov 2025	250,000	-	-	250,000
Encina Triplex	13010-J13066	Aug 2008	Aug 2048	273,279	-	6,614	266,665
Kimball Court (1)	13010-J13020	Aug 1999	Aug 2054	605,438	-	-	605,438
Downtown Senior Housing (1)	13010-J13035	April 2002	April 2057	900,000	-	-	900,000
Tulare County Housing Authority (1)	13010-J13040	Aug 2003	Aug 2058	33,636	-	909	32,727
Mill Creek Parkway \$1.5M (KMC)	13010-R09029	Mar 2006	Mar 2061	1,117,418	-	27,936	1,089,482
Mill Creek Parkway \$3.0M (KMC)	13010-R09027	Oct 2015	Oct 2070	2,727,273	-	54,545	2,672,728
Kaweah Management - East (1)	13010-J13067	Sep 2009	June 2065	472,708	-	-	472,708
Court & Paradise Apts	13010-J13504	Nov 2010	Nov 2066	500,000	-	-	500,000
617 & 619 Santa Fe (KMC)	13010-R09028	July 2017	July 2072	150,000	-	-	150,000
517-519 N Encina (SHE)	13010-R93007	May 2018	May 2074	100,000	-	-	100,000
111 NW 5th (SHE)	13010-R93011	Nov 2018	Nov 2063	30,578	-	711	29,867
113 NW 5th (SHE)	13010-R93012	Nov 2018	Nov 2063	30,578	-	711	29,867
1105 N Court (SHE)	13010-R93008	Nov 2018	Nov 2063	30,578	-	711	29,867
1029 W Goshen	13418-R89000	Jan 2011	Jan 2066	133,095	-	2,954	130,141
Lofts Project	13010-CP0478	Feb 2022	Dec 2057	-	329,320	-	329,320
East Visalia Redevelopment	13413	Various	Various	32,461	-	-	32,461
Habitat for Humanity Assigned	13417	Various	Various	676,250	-	8,974	667,276
Housing Fund	13418	Various	Various	99,310	-	28,688	70,622
Subtotal Housing Successor Funds				9,125,168	329,320	680,500	8,773,988

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2022

NOTE 5 - NOTES AND LOANS RECEIVABLE (Continued)

	Ref #	Issue Date	Maturity	Balance at June 30, 2021 as restated	Additions	Repayments	Balance at June 30, 2022
Transportation Fund							
Central Ca Conf Assoc (B090414)	13010-J13088	Nov 2018	June 2024	15,065	-	5,046	10,019
Dillon Ent (B170632)	13010-J13089	Dec 2018	June 2024	150,000	-	50,000	100,000
COGO Prop (B180570)	13010-J13090	Aug 2018	June 2024	10,510	-	10,510	-
TRD Plaza LLC (B182646)	13010-J13091	May 2019	June 2025	26,699	-	6,675	20,024
El Centro Corner (B183341)	13010-J13092	May 2019	June 2025	190,530	-	47,632	142,898
NW Visalia Senior (B173132)	13010-J13094	Oct 2019	June 2025	201,024	-	50,256	150,768
J Beast LP (B193168)	13010-J93168	July 2020	June 2026	140,932	-	28,186	112,746
J Beast LP (B193169)	13010-J93169	July 2020	June 2026	79,829	-	15,966	63,863
Vaccinated LP (B201416)	13010-J93170	June 2021	June 2027	-	172,763	-	172,763
Vaccinated LP (B201417)	13010-J93171	June 2021	June 2027	-	88,940	-	88,940
Subtotal Transportation Fund				814,589	261,703	214,271	862,021
Civic Center Fund							
Imagine U Museum	13010-J13082	Dec 2016	Dec 2046	133,665	-	3,133	130,532
Subtotal Civic Center Fund				133,665	-	3,133	130,532
Parking District Fund							
Barrell House Brewing	13010-J13083	April 2017	June 2023	6,534	-	6,534	-
Comfort Suites	13010-J13038	Oct 2002	Oct 2032	127,409	-	10,287	117,122
Subtotal Parking District Fund				133,943	-	16,821	117,122
Waterways Fund							
Imagine U Museum	13010-J13082	Dec 2016	Dec 2046	163,369	-	3,829	159,540
Subtotal Waterways Fund				163,369	-	3,829	159,540
Govt Facilities Impact Fee Fund							
Central Ca Conf Assoc (B090414)	13010-J13088	Nov 2018	June 2024	441	-	142	299
TRD Plaza LLC (B182646)	13010-J13091	May 2019	June 2025	3,914	-	978	2,936
El Centro Corner (B183341)	13010-J13092	May 2019	June 2025	1,012	-	253	759
J Beast LP (B193168)	13010-J93168	July 2020	June 2026	74,994	-	14,999	59,995
J Beast LP (B193169)	13010-J93169	July 2020	June 2026	36,840	-	7,368	29,472
Vaccinated LP (B201416)	13010-J93170	June 2021	June 2027	-	10,404	-	10,404
Vaccinated LP (B201417)	13010-J93171	June 2021	June 2027	-	44,208	-	44,208
Subtotal Govt Facilities Impact Fee Fund				117,201	54,612	23,740	148,073
Public Safety Impact Fee Fund							
TRD Plaza LLC (B182646)	13010-J13091	May 2019	June 2025	7,377	-	1,844	5,533
El Centro Corner (B183341)	13010-J13092	May 2019	June 2025	12,683	-	3,171	9,512
J Beast LP (B193168)	13010-J93168	July 2020	June 2026	46,578	-	9,316	37,262
Vaccinated LP (B201417)	13010-J93171	June 2021	June 2027	-	32,003	-	32,003
Subtotal Public Safety Impact Fee Fund				66,638	32,003	14,331	84,310
Storm Sewer Construction Fund							
TRD Plaza LLC (B182646)	13010-J13091	May 2019	June 2025	774	-	193	581
El Centro Corner (B183341)	13010-J13092	May 2019	June 2025	829	-	208	621
J Beast LP (B193168)	13010-J93168	July 2020	June 2026	3,289	-	658	2,631
Vaccinated LP (B201417)	13010-J93171	June 2021	June 2027	-	2,260	-	2,260
Subtotal Storm Sewer Construction Fund				4,892	2,260	1,059	6,093
Subtotal Governmental Activities				35,766,232	3,163,278	1,977,348	36,952,162
BUSINESS - TYPE							
Water Reclamation Facility Fund							
Central Ca Conf Assoc (B090414)	13010-J13088	Nov 2018	June 2024	5,811	-	1,919	3,892
TRD Plaza LLC (B182646)	13010-J13091	May 2019	June 2025	1,855	-	464	1,391
El Centro Corner (B183341)	13010-J13092	May 2019	June 2025	11,217	-	2,804	8,413
NW Visalia Senior (B173132)	13010-J13094	Oct 2019	June 2025	50,208	-	12,552	37,656
120 W Main St (B150085)	13010-J13095	May 2015	June 2025	19,730	-	4,932	14,798
J Beast LP (B193168)	13010-J93168	July 2020	June 2026	66,499	-	13,300	53,199
J Beast LP (B193169)	13010-J93169	July 2020	June 2026	4,176	-	835	3,341
Vaccinated LP (B201416)	13010-J93170	June 2021	June 2027	-	6,570	-	6,570
Vaccinated LP (B201417)	13010-J93171	June 2021	June 2027	-	5,020	-	5,020
Subtotal Water Reclamation Facility Fund				159,496	11,590	36,806	134,280
Total				\$ 35,925,728	\$ 3,174,868	\$ 2,014,154	\$ 37,086,442
FIDUCIARY							
Successor Agency							
Willow Street Parking Structure	13010-J13015	-	-	146,543	-	20,592	125,951
Subtotal Successor Agency				146,543	-	20,592	125,951

Note: (1) Repayment is based on residual cash flow from operations. To the extent there is excess revenues, the developer is required to repay all accrued interest and principal annually.

Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2022

NOTE 5 - NOTES AND LOANS RECEIVABLE (Continued)

B. Notes Receivable

The City loans monies for various purposes in the course of its operations. The General Fund holds notes receivable for deferred impact fees and land sales. The Parking District holds notes relating to payment of downtown parking in-lieu fees. Various housing funds hold notes related to housing development. The Housing Successor Agency loans are mainly for developers who develop housing projects for low-income persons which meet affordability requirements. At June 30, 2022, these notes receivable totaled \$37,212,393 in the following funds: \$12,211,244 in the General Fund, \$14,459,239 in Housing & Community Grants, \$8,773,988 in the Housing Successor Agency Fund, \$862,021 in the Transportation Fund, \$117,122 in the Parking District Fund, \$159,540 in the Waterways Fund, \$148,073 in the Government Facilities Impact Fee Fund, \$84,310 in the Public Safety Impact Fee Fund, \$6,093 in the Storm Sewer Construction Fund, \$130,532 in the Civic Center Fund, \$134,280 in the Water Reclamation Facility Fund, and \$125,951 in the Fiduciary Successor Agency.

C. Loans Receivable

The City uses several sources of funds to provide financial assistance, mainly in the form of loans to low and moderate income residents. The three funding sources are:

The *Community Development Block Grant* (CDBG) has provided low-interest loans to rehabilitate or purchase affordable housing, as well as to rehabilitate rental properties that house low income residents. The outstanding balance of these loans was \$775,282 at June 30, 2022.

The *Home Investment Partnerships Grant* (HOME) has provided low-interest loans to rehabilitate or purchase affordable housing, as well as to rehabilitate rental properties that house low income residents. The outstanding balance of these loans was \$1,731,577 at June 30, 2022.

The *Housing Successor Agency* holds loans made by the former Redevelopment Agency which provided low-interest loans to rehabilitate or purchase affordable housing as well as to rehabilitate rental properties that house low income residents. The outstanding balance of these loans was \$8,473,169 at June 30, 2022.

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2022

NOTE 6 - CAPITAL ASSETS

A. Capital Assets Additions and Retirements

	Balance July 1, 2021 as restated	Additions	Retirements	Transfers	Balance June 30, 2022
GOVERNMENTAL ACTIVITIES:					
Capital assets not being depreciated					
Land	\$ 41,576,156	\$ 1,184,395	\$ (1,355,690)	\$ -	\$ 41,404,861
Construction in progress	21,449,011	7,505,533	(49,382)	(1,796,096)	27,109,066
	<u>63,025,167</u>	<u>8,689,928</u>	<u>(1,405,072)</u>	<u>(1,796,096)</u>	<u>68,513,927</u>
Capital assets being depreciated					
Buildings	62,476,948	-	-	-	62,476,948
Improvements other than buildings	90,077,714	44,792	-	546,114	90,668,620
Machinery, equipment and vehicles	13,941,648	257,695	(102,304)	613,399	14,710,438
Infrastructure - streets, traffic signals & signs	254,520,018	2,382,378	-	1,263,545	258,165,941
	<u>421,016,328</u>	<u>2,684,865</u>	<u>(102,304)</u>	<u>2,423,058</u>	<u>426,021,947</u>
Accumulated depreciation					
Buildings	(15,957,193)	(1,289,248)	-	-	(17,246,441)
Improvements other than buildings	(28,653,047)	(2,327,880)	-	(58,931)	(31,039,858)
Machinery, equipment and vehicles	(7,634,091)	(766,336)	90,502	(93,688)	(8,403,613)
Infrastructure - streets, traffic signals & signs	(93,313,417)	(5,806,111)	-	-	(99,119,528)
	<u>(145,557,748)</u>	<u>(10,189,575)</u>	<u>90,502</u>	<u>(152,619)</u>	<u>(155,809,440)</u>
Lease assets					
Land and land improvements	646,059	-	-	-	646,059
Buildings	191,337	-	-	-	191,337
	<u>837,396</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>837,396</u>
Accumulated amortization					
Land and land improvements	-	(25,842)	-	-	(25,842)
Buildings	-	(94,175)	-	-	(94,175)
	<u>-</u>	<u>(120,017)</u>	<u>-</u>	<u>-</u>	<u>(120,017)</u>
Governmental Capital Asset Activity, Net	<u>\$ 339,321,143</u>	<u>\$ 1,065,201</u>	<u>\$ (1,416,874)</u>	<u>\$ 474,343</u>	<u>\$ 339,443,813</u>
INTERNAL SERVICE FUND ACTIVITIES:					
Capital assets not being depreciated					
Land	\$ -	\$ -	\$ -	\$ -	\$ -
Construction in progress	-	1,512	-	-	1,512
	<u>-</u>	<u>1,512</u>	<u>-</u>	<u>-</u>	<u>1,512</u>
Capital assets being depreciated					
Buildings	654,910	-	-	-	654,910
Improvements other than buildings	218,785	-	-	-	218,785
Machinery, equipment and vehicles	34,181,939	1,783,188	(814,287)	1,508,877	36,659,717
	<u>35,055,634</u>	<u>1,783,188</u>	<u>(814,287)</u>	<u>1,508,877</u>	<u>37,533,412</u>
Accumulated depreciation					
Buildings	(589,910)	-	-	-	(589,910)
Improvements other than buildings	(169,432)	(7,159)	-	-	(176,591)
Machinery, equipment and vehicles	(21,555,888)	(1,895,400)	763,418	-	(22,687,870)
	<u>(22,315,230)</u>	<u>(1,902,559)</u>	<u>763,418</u>	<u>-</u>	<u>(23,454,371)</u>
Internal Service Fund Capital Asset Activity, Net	<u>\$ 12,740,404</u>	<u>\$ (117,859)</u>	<u>\$ (50,869)</u>	<u>\$ 1,508,877</u>	<u>\$ 14,080,553</u>
Capital assets not being depreciated or Amortized					\$ 68,515,439
Capital assets being depreciated or Amortized					\$ 285,008,927
BUSINESS-TYPE ACTIVITIES:					
Capital assets not being depreciated					
Land	\$ 26,148,966	\$ -	\$ -	\$ -	\$ 26,148,966
Construction in progress	8,536,251	1,780,402	-	(5,987,959)	4,328,694
	<u>34,685,217</u>	<u>1,780,402</u>	<u>-</u>	<u>(5,987,959)</u>	<u>\$ 30,477,660</u>
Capital assets being depreciated					
Buildings	54,067,102	94,036	-	4,212,063	58,373,201
Improvements other than buildings	231,440,723	593,722	-	(151,471)	231,882,974
Machinery, equipment and vehicles	75,773,000	5,684,923	(6,025,252)	(208,472)	75,224,199
Infrastructure - sewer and storm drainage	152,360,463	1,056,599	-	-	153,417,062
	<u>513,641,288</u>	<u>7,429,280</u>	<u>(6,025,252)</u>	<u>3,852,120</u>	<u>\$ 518,897,436</u>
Accumulated depreciation					
Buildings	(20,965,943)	(1,170,889)	-	-	(22,136,832)
Improvements other than buildings	(67,335,642)	(4,700,760)	-	58,931	(71,977,471)
Machinery, equipment and vehicles	(48,510,405)	(4,240,142)	5,636,236	93,688	(47,020,623)
Infrastructure - sewer and storm drainage	(34,564,883)	(1,919,343)	-	-	(36,484,226)
	<u>(171,376,873)</u>	<u>(12,031,134)</u>	<u>5,636,236</u>	<u>152,619</u>	<u>\$ (177,619,152)</u>
Business-type Capital Asset Activity, Net	<u>\$ 376,949,632</u>	<u>\$ (2,821,452)</u>	<u>\$ (389,016)</u>	<u>\$ (1,983,220)</u>	<u>\$ 371,755,944</u>
Capital assets not being depreciated or Amortized					\$ 30,477,660
Capital assets being depreciated or Amortized					\$ 341,278,284

Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2022

NOTE 6 - CAPITAL ASSETS (Continued)

B. Depreciation and Amortization Expense

Depreciation and amortization expense is charged to functions and programs based on their usage of the related assets. The accounts allocated to each function or programs are as follows:

Governmental Activities	
General Government	\$ 6,909,561
Housing & Community Grants	6,198
Public Works	714,133
Public Safety:	
Police	636,632
Fire	452,795
Community Services	1,590,273
Capital Assets Held by the City's Internal Service Funds are Charged to the Various Functions Based on their Usage of the Assets	<u>1,902,559</u>
Total Governmental Activities	<u>\$ 12,212,151</u>
Business-Type Activities	
Water Reclamation Facility	\$ 5,528,474
Storm Sewer Maintenance	824,208
Solid Waste	1,456,588
Transit	2,935,953
Convention Center	755,430
Airport	339,315
Building Safety	19,184
Animal Control	<u>171,982</u>
Total Business-Type Activities	<u>\$ 12,031,134</u>

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2022

NOTE 7 - LONG-TERM LIABILITIES

A. Current Year Transactions and Balances

	Original Issue Amount	Balance at June 30, 2021 as Restated	Additions	Retirements	Balance at June 30, 2022	Due Within One Year
<u>Governmental Activity Debt</u>						
Certificates of Participation:						
2015 COP	\$ 13,121,230	\$ 8,864,706	\$ -	\$ (824,198)	\$ 8,040,508	\$ 860,829
2014 VPFA - Refunding (1)	1,180,800	563,200	-	(102,400)	460,800	107,200
Lease Liabilities (2)	837,396	837,396	-	(114,433)	722,963	105,058
Internal Service Funds						
Compensated Absences	-	5,818,608	1,116,371	(914,015)	6,020,964	1,214,672
Total Governmental Activities	\$ 15,139,426	\$ 16,083,910	\$ 1,116,371	\$ (1,955,046)	\$ 15,245,235	\$ 2,287,759
<u>Business-Type Activity Debt</u>						
Certificates of Participation:						
2015 COP	\$ 4,788,770	\$ 3,235,294	\$ -	\$ (300,802)	\$ 2,934,492	\$ 314,171
2014 VPFA - Refunding (1)	6,199,200	2,956,800	-	(537,600)	2,419,200	562,800
Bond Premium	971,504	116,177	-	(45,368)	70,809	34,814
Notes - Direct Borrowings:						
2014 Clean Water State Revolving Fund Loan	96,434,597	89,265,836	-	(2,490,646)	86,775,190	2,542,949
Lease - Direct Borrowings:						
2012 Animal Control	6,600,000	3,501,514	-	(450,376)	3,051,138	466,049
Compensated Absences	-	1,072,583	155,892	(20,684)	1,207,791	207,273
Total Business-Type Activities	\$ 114,994,071	\$ 100,148,204	\$ 155,892	\$ (3,845,476)	\$ 96,458,620	\$ 4,128,056
<u>Fiduciary Funds</u>						
Redevelopment Agency Tax Allocation Bonds:						
2003 East Visalia District	\$ 5,185,000	\$ 1,280,000	\$ -	\$ (190,000)	\$ 1,090,000	\$ 200,000
Notes - Direct Borrowings:						
2004 RDA - Mooney District	2,707,250	1,148,981	-	(132,505)	1,016,476	138,346
Advances:						
*General Fund	-	11,982,553	265,544	(170,927)	12,077,170	-
Housing Successor Agency	-	848,566	-	(547,747)	300,819	-
Total Private Purpose Trust Funds	\$ 7,892,250	\$ 15,260,100	\$ 265,544	\$ (1,041,179)	\$ 14,484,465	\$ 338,346

(1) The 2014 VPFA issues were for refunding of the 2005 VPFA Issues, and corresponding debt's proportionate allocation remains at 84% to Business-Type Activities (Convention Center - Enterprise Fund) and 16% to Governmental Activities.

(2) The City has entered into leases for building space and land with land improvements. The terms of the agreements range from 2 to 25 years. The calculated interest rates range from .20% to 1.50%

* Beginning balance as restated (see Note 14 for Prior Period Adjustments)

Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2022

NOTE 7 – LONG-TERM LIABILITIES (Continued)

B. Certificates of Participation

On July 2, 2014, the City issued \$7,380,000 of 2014 Refunding Certificates of Participation (the Certificates VPFA) to (a) refund all of the City's outstanding 2005 Refunding Certificates of Participation (the "Prior Certificates"), (b) to purchase a municipal bond debt service reserve insurance policy for deposit into a debt service reserve fund established for the Certificates, and (c) to pay the costs related to the execution and delivery of the Certificates, including, but not limited to, the cost of municipal bond insurance. Of this issue, 84% is allocable to the Convention Center and 16% is considered general long-term debt. The term of the refunding is 11 years with an all in total interest cost of 3.02%. Principal payments are due annually on June 1 and interest is due semiannually on June 1 and December 1, commencing December 1, 2014, with the final payment due in the year 2025. The refunding was structured to lower the annual certificate payments and was achieved by taking advantage of historically low interest rates and extend out the final maturity date by 4 years. The refunding resulted in a bond premium of \$971,504 for the business-type activities, of which \$70,809 remains to be amortized. The City also chose to unencumber the Convention Center, which was the leased asset for the Prior Certificates, and encumber a new asset, which is the City's Riverway Sports Park, with the 2014 Certificates. The lowering of the annual payments and unencumbering of the Convention Center were done to help with a larger future financing issued by the City in September of 2015.

The bonds are limited obligations of the Visalia Public Finance Authority and are payable by the City solely from Lease Payments to be made by the City under the Lease and certain other moneys held under the Trust Agreement. The City has covenanted to budget and appropriate Lease Payments in each fiscal year in consideration of the use and occupancy of the Property from any source of legally available funds, and to take such action as may be necessary to include all Lease Payments in its annual budgets and to make the necessary annual appropriations thereof. Should the City default under the facilities sublease, the trustee, as the assignee of the Authority, may elect either to terminate the Lease and seek to collect damages from the City or to maintain the Lease in effect and seek to collect the Lease Payments as they become due. Base Rental payments may not be accelerated upon a default under the facilities sublease. No such events of default occurred during the fiscal year ending June 30, 2022.

On September 10, 2015 the City issued \$17,910,000 of 2015 Certificates of Participation to (a) construct and equip the Visalia Emergency Communications Center (the VECC), (b) to replace the City's Computer Aided Dispatch and Records Management System (the CAD/RMS), (c) to make certain improvements to the Visalia Convention Center, (d) to purchase a municipal bond debt service reserve insurance policy for deposit into a debt service reserve fund established for the Certificates, and (e) to pay the costs related to the execution and delivery of the Certificates. Of this issue, 27% is allocable to the Convention Center, 10% is allocable to the Measure T Fund, 26% is allocable to Police Impact Fees, and 37% is considered general long-term debt. The term of the certificates is 14 years with an all in total interest cost of 3.14%. Principal and interest payments are payable semiannually on June 1 and December 1 of each year, commencing on December 1, 2015, with the final payment due in the year 2029.

The bonds are limited obligations of the Public Property Financing Corporation of California and are payable by the City solely from Lease Payments to be made by the City under the Lease and certain other moneys held under the Trust Agreement. The City has covenanted to budget and appropriate Lease Payments in each fiscal year in consideration of the use and occupancy of the Property from any source of legally available funds, and to take such action as may be necessary to include all Lease Payments in its annual budgets and to make the necessary annual appropriations thereof. Should the City default under the facilities sublease, the Trustee, as the assignee of the Corporation, may elect either to terminate the Lease and seek to collect personal damages from the City or to maintain the Lease in effect to seek to collect the Lease Payments as they become due. Base Rental payments may not be accelerated upon a default under the facilities sublease. No such events of default occurred during the fiscal year ending June 30, 2022.

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2022

NOTE 7 – LONG-TERM LIABILITIES (Continued)

C. Lease – Animal Control

On December 1, 2012, the City entered into a lease agreement with Municipal Finance Corporation for \$6,600,000 for the acquisition and construction of an animal control facility and shelter. The lease agreement pledges two police substations and the animal control center site for the construction of the animal shelter. The fifteen year lease financing arrangement begins March 2013 at an interest rate of 3.45%. Principal and interest payments are due each September and March with the first payment beginning September 2013 and the final payment due in March 2028.

D. Compensated Absences

The City accounts for compensated absences (unpaid, vacation, sick leave and compensatory time) in accordance with GASB standards. In governmental funds, compensated absences are recorded as expenditures in the year paid, as it is the City's intention to liquidate any unpaid compensated absences at June 30 from future resources, rather than current available financial resources. Accordingly, the unpaid liability for governmental funds is recorded in the Statement of Net Position. In business-type activities and enterprise funds, the unpaid liability is accrued when the liability occurs.

E. Redevelopment Agency Tax Allocation Bonds

On June 18, 2003, the Community Redevelopment Agency (RDA) issued \$5,185,000 of 2003 Tax Allocation Refunding Bonds (2003 Bonds) to retire outstanding variable rate 1990 Tax Allocation Bonds and to pay for issuance costs

Tax increment revenue is pledged for the repayment of the 2003 Bonds. Interest ranges from 2.0% to 4.1% and is due semiannually each July 1 and January 1. Commencing 2004, principal is payable each July 1 through 2026.

The bonds are special obligations of the Agency payable solely from the Tax Revenues. The Successor Agency has covenanted in the Indenture to manage its fiscal affairs in a manner which ensures that it will have sufficient Tax Revenues available under the Plan Limitations in the amounts and at the times required to enable the Agency to pay the principal of and interest and premium (if any) on the Bond when due. Should the Successor Agency default, any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. If termination occurs prior to the final maturity of the Bonds; the Issuer shall give notice of such termination in the same manner as for a Listed Event. No such events of default occurred during the fiscal year ending June 30, 2022.

This debt was transferred to the Redevelopment Successor Agency (Private Purpose Trust Fund) on February 1, 2012, as a result of the dissolution of the Visalia Community Redevelopment Agency.

F. Note – WestAmerica Bank Loan – RDA Mooney District

On September 7, 2004, the City approved the refinancing of the remaining balance of the 1993 Mooney Tax Allocation Revenue Bond with a Stockmen's bank loan in the amount of \$2,707,250. The bank loan is a variable rate loan, fixed every five years with a floor of 4.30% and a ceiling of 6.00%. The term of the loan is set at 24 years to match the sunset of the Mooney Redevelopment Area in 2028.

This loan is secured by the tax revenues received by the RDA for the project area.

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2022

NOTE 7 – LONG-TERM LIABILITIES (Continued)

F. Note – WestAmerica Bank Loan – RDA Mooney District (Continued)

Although the note originated with Stockmen’s Bank in 2004, as of June 30, 2012, the note is held by WestAmerica Bank. WestAmerica Bank may determine the loan to be breached and the City to be in default if the City (1) fails to pay the money payment when due, (2) discontinues, or (3) otherwise breaches this agreement, and the breach is not cured as specified therein. Following a breach, WestAmerica Bank shall have the right to declare the entire unpaid balance of the loan obligation due and payable.

This debt was transferred to the Redevelopment Successor Agency (Private Purpose Trust Fund) on February 1, 2012, as a result of the dissolution of the Visalia Community Redevelopment Agency.

G. Note – Clean Water State Revolving Fund – Wastewater Conservation Plant Upgrade Project

On March 27, 2014, the City entered into an installment sale agreement with the California State Water Resources Control Board (CSWRCB) for up to \$132,490,000 for a major upgrade to the City’s Water Conservation Plant to provide tertiary level treatment to the water being processed. The project is complete and the City’s loan balance is set at \$96,434,597, which includes \$3,854,165 of capitalized interest. The term of the loan is 30 years at an interest rate of 2.1%. Principal and interest payments will be repaid in annual installments commencing on September 13, 2018 and shall be fully amortized by September 13, 2047.

The CSWRCB may determine the loan to be breached and the City to be in default if the City (1) fails to pay the money payment when due, (2) discontinues, or (3) otherwise breaches this agreement, and the breach is not cured as specified therein. Following a breach, CSWRCB shall have the right to declare the entire unpaid balance of the loan obligation due and payable.

H. Debt Service Requirements

Annual debt service requirements to maturity are shown below for all long-term debt:

For the Year Ending June 30,	Governmental Activities			
	Public Offering		Lease Liabilities	
	Principal	Interest	Principal	Interest
2023	\$ 968,029	\$ 314,095	\$ 105,058	\$ 9,531
2024	1,013,123	268,870	37,967	9,090
2025	1,066,343	216,884	22,432	8,749
2026	1,120,364	162,216	22,770	8,411
2027	1,036,658	118,657	23,114	8,067
2028-2032	3,296,791	159,469	120,906	34,999
2033-2037	-	-	130,305	25,600
2038-2042	-	-	140,436	15,469
2043-2047	-	-	119,975	4,749
	<u>\$ 8,501,308</u>	<u>\$ 1,240,191</u>	<u>\$ 722,963</u>	<u>\$ 124,665</u>

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2022

NOTE 7 – LONG-TERM LIABILITIES (Continued)

H. Debt Service Requirements (Continued)

For the Year Ending June 30,	Business-Type Activities				
	Direct Borrowings		Public Offering		Bond Premium
	Principal	Interest	Principal	Interest	
2023	\$ 3,008,998	\$ 1,923,557	\$ 876,971	\$ 214,093	\$ 34,814
2024	3,078,617	1,853,939	916,877	170,817	23,787
2025	3,149,922	1,782,634	963,657	123,804	12,208
2026	3,222,956	1,709,600	1,014,636	74,346	-
2027	3,297,763	1,634,792	378,342	43,306	-
2028-2032	15,265,103	7,128,364	1,203,209	58,200	-
2033-2037	16,323,154	5,502,985	-	-	-
2038-2042	18,110,598	3,715,541	-	-	-
2043-2047	20,093,774	1,732,365	-	-	-
2048	4,275,443	89,784	-	-	-
	<u>\$ 89,826,328</u>	<u>\$ 27,073,561</u>	<u>\$ 5,353,692</u>	<u>\$ 684,566</u>	<u>\$ 70,809</u>

For the Year Ending June 30,	Private Purpose Trust Fund			
	Direct Borrowings		Public Offering	
	Principal	Interest	Principal	Interest
2023	\$ 138,346	\$ 42,770	\$ 200,000	\$ 47,187
2024	144,443	36,673	210,000	38,938
2025	150,719	30,397	220,000	29,750
2026	157,451	23,665	225,000	20,125
2027	164,391	16,726	235,000	10,281
2028-2029	261,126	11,407	-	-
	<u>\$ 1,016,476</u>	<u>\$ 161,638</u>	<u>\$ 1,090,000</u>	<u>\$ 146,281</u>

NOTE 8 - DEBT WITHOUT CITY COMMITMENT

The City issued a \$72,020 bond designated as the, "Limited Obligation Improvement Bonds, Village West Improvement Project, Series 2007" for the unpaid assessments levied upon the Village West Improvement Project special assessment district. The City then purchased the bonds for the City's cash portfolio. The bonds yield 6% and were for the construction of street improvements in the Village West Subdivision. As of June 30, 2022, no remaining principal balance was outstanding as all assessments on property in the Assessment District had been collected.

The City issued a \$675,000 bond designated as the "City of Visalia Orchard Walk East and West Underground Utilities Assessment District, Series 2011". The City then purchased the bonds for the City's cash portfolio. The bonds yield 6.75% and mature on September 2, 2026 and were for the construction of underground electrical utilities at the Orchard Walk East and West commercial shopping center. As of June 30, 2022, \$180,000 of principal balance, which is repayable out of assessments on property in the Assessment District, remained outstanding.

Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2022

NOTE 8 - DEBT WITHOUT CITY COMMITMENT (Continued)

The City issued a \$148,367 bond designated as the "City of Visalia Atwood Street Water Assessment District No. 2014-01, Series 2015-2". The City then purchased the bonds for the City's cash portfolio. The bonds yield 4.00% and mature on September 2, 2030 and were for the construction of improvements for the extension of a California Water main into Atwood Street to provide services to each property as the properties had wells that were beginning to fail. As of June 30, 2022, \$81,676 of principal balance, which is repayable out of assessments on property in the Assessment District, remained outstanding.

The City issued a \$106,530 bond designated as the "City of Visalia Laura Street Water Assessment District No. 2014-01, Series 2015-2". The City then purchased the bonds for the City's cash portfolio. The bonds yield 4.00% and mature on September 2, 2030 and were for the construction of improvements for the extension of a California Water main into Laura Street to provide services to each property as the properties had wells that were beginning to fail. As of June 30, 2022, \$51,785 of principal balance, which is repayable out of assessments on property in the Assessment District, remained outstanding.

Although the City assisted in the issuance of the above debts, it is not obligated in any way to repay this debt and has not reflected the debt in its financial statements.

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2022

NOTE 9 - FUND BALANCE CLASSIFICATIONS

GASB Statement No. 34 incorporates the concept of Net Position, which is measured on the full accrual basis of accounting, to the concept of Fund Balance, as amended by GASB Statement No. 54, which is measured on the modified accrual basis of accounting.

A. Fund Balances

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned (see Note 1 for a description of these categories). A detailed schedule of fund balances at June 30, 2022 is as follows:

City of Visalia
Governmental Fund Balances
June 30, 2022
(in thousands)

	General Fund	Measure N	Housing & Community Grants	Housing Successor Agency	American Rescue Plan	Transportation	Civic Center	All Other Governmental Funds	Total Governmental Funds
Nonspendable									
Prepays/Deposits	\$ 27	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27
Supplies	14	-	-	-	-	-	-	-	14
Long Term Receivable	134	-	-	-	-	-	-	-	134
Advance - Public Facility Impact Fee	26	-	-	-	-	-	-	-	26
Advance - Measure R - Trailways	392	-	-	-	-	-	-	-	392
Advance - Special Service Districts	971	-	-	-	-	-	-	-	971
Total Nonspendable Fund Balance	1,564	-	-	-	-	-	-	-	1,564
Restricted									
Purpose of Fund	-	27,896	14,957	10,059	-	19,496	-	90,836	163,244
Total Restricted Fund Balance	-	27,896	14,957	10,059	-	19,496	-	90,836	163,244
Committed									
Civic Center Facilities	-	-	-	-	-	-	47,004	-	47,004
Sports Park	-	-	-	-	-	-	-	561	561
Animal Control	-	-	-	-	-	-	-	245	245
Conservation	-	-	-	-	-	-	-	241	241
Baseball	-	-	-	-	-	-	-	232	232
Oaktree Preservation	-	-	-	-	-	-	-	273	273
Police Unclaimed	-	-	-	-	-	-	-	124	124
Facility Improvement Fund	-	-	-	-	-	-	-	761	761
Emergency Reserve	17,402	-	-	-	-	-	-	-	17,402
Miscellaneous Capital Projects	156	9,373	1,087	225	978	-	-	-	11,819
Total Committed Fund Balance	17,558	9,373	1,087	225	978	-	47,004	2,437	78,662
Assigned									
Advance - Atwood District (Custodial Fund)	75	-	-	-	-	-	-	-	75
Advance - Laura District (Custodial Fund)	38	-	-	-	-	-	-	-	38
CIP Budgeted Not Started	3,522	-	-	-	-	-	-	-	3,522
Cal PERS Unfunded Liability Payment FY 22/23	12,227	-	-	-	-	-	-	-	12,227
Successor Agency Loans	12,077	-	-	301	-	-	-	-	12,378
Total Assigned Fund Balance	27,939	-	-	301	-	-	-	-	28,240
Unassigned									
Total Unassigned Fund Balance	6,731	-	-	-	(911)	-	-	(78)	5,742
Total Fund Balances	\$ 53,792	\$ 37,269	\$ 16,044	\$ 10,585	\$ 67	\$ 19,496	\$ 47,004	\$ 93,195	\$ 277,452

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2022

NOTE 9 – FUND BALANCE CLASSIFICATIONS (Continued)

B. Fund Balances

CITY OF VISALIA
SCHEDULE OF FUND BALANCE - GENERAL FUND
(In Thousands)

	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22
Nonspendable Fund Balance:					
Prepaid Expenditures	47	180	26	22	27
Supplies	8	13	19	19	14
Long-Term Receivable	1,310	932	633	527	134
Advance - Public Safety Impact Fee (Fire)	977	641	304	-	-
Advance - Public Facility Impact Fee (Library)	158	126	98	60	26
Advance - Softball Development	1	-	-	-	-
Advance - Measure R - Regional	-	967	1,284	-	-
Advance - Measure R - Trailways	1,106	1,292	844	522	392
Advance - Special Service Districts	893	899	931	963	971
Advance - CHFA	5	1	-	-	-
Advance - Transportation Grants	-	-	300	-	-
Advance - Valley Oaks Golf	2,798	-	-	-	-
Advance - Airport	278	44	944	1,367	-
Nonspendable Fund Balance Total	7,581	5,095	5,383	3,480	1,564
Committed Fund Balance:					
* Civic Center Facilities	5,144	-	-	-	-
* Sports Park	583	-	-	-	-
* Animal Control	236	-	-	-	-
* Conservation	232	-	-	-	-
* Police Unclaimed	156	-	-	-	-
* Facility Improvement Fund	733	-	-	-	-
Emergency Reserve	14,695	15,182	15,953	16,407	17,402
Miscellaneous Capital Projects	142	162	286	202	156
Committed Fund Balance Total	21,921	15,344	16,239	16,609	17,558
Assigned Fund Balance:					
Custodial Fund Advance - Atwood District	75	77	75	76	75
Custodial Fund Advance - Laura District	36	37	36	36	38
Due from - Community Development	73	-	2	5	-
Due from - Golf Course	-	-	6	-	-
CIP Budgeted not started	1,971	2,551	3,219	3,961	3,522
Cal PERS Unfunded Liability Payment FY 22/23	5,234	6,863	10,166	11,120	12,227
Successor Agency	11,376	11,717	12,069	12,431	12,077
Assigned Fund Balance Total	18,765	21,245	25,573	27,629	27,939
Unassigned Fund Balance:					
Unassigned	10,214	9,753	5,497	5,428	6,731
Unassigned Fund Balance Total	10,214	9,753	5,497	5,428	6,731
Total Fund Balance	\$ 58,481	\$ 51,437	\$ 52,692	\$ 53,146	\$ 53,792

* These funds were previously reported in the General Fund are now being reported in the Non Major Statements.

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2022

NOTE 9 - FUND BALANCE CLASSIFICATIONS (Continued)

C. Fund Balance and Net Position Deficits

The following funds had deficit fund balances or net position at June 30, 2022. Future revenues or interfund transfers are expected to offset these deficits:

Special Revenue Funds:		
Measure R Regional	\$	50,446
Debt Service Funds:		
VPFA 2014 Refunding Certificates of Participation	\$	1,888
2015 Certificates of Participation	\$	16,802
Fiduciary Funds:		
Successor Agency	\$	10,902,094
Internal Services:		
Fleet Services	\$	615,573
Compensated Absences	\$	173,192

D. Net Investment in Capital Assets

The following is the calculation of net investment in capital assets at June 30, 2022:

	Governmental Activities	Business-Type Activities	Total
Capital Assets, net of accumulated depreciation and amortization	\$ 353,524,366	\$ 371,755,944	\$ 725,280,310
Less: outstanding principal on capital related debt	(8,501,308)	(95,250,829)	(103,752,137)
Less: outstanding capital lease liability	(722,963)	-	(722,963)
Net Investment in Capital Assets	<u>\$ 344,300,095</u>	<u>\$ 276,505,115</u>	<u>\$ 620,805,210</u>

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2022

NOTE 10 - EMPLOYEE BENEFITS

A. General Information about the Pension Plans

Plan Descriptions – All qualified permanent and probationary employees are eligible to participate in the City of Visalia separate Safety (police and fire) and Miscellaneous (all other) Plans, agent multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and City of Visalia resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five or more years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2022, are summarized as follows:

	<u>Miscellaneous</u>			
	Prior to May 9, 2008	May 10, 2008 through May 20, 2011	May 21, 2011 through December 31, 2012	January 1, 2013 through current
Hire date				
Benefit formula	3% @ 60	2.5% @ 55	2.0% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life	Monthly for life	Monthly for life
Retirement age	50	50	50	52
Monthly benefits, as a % of eligible compensation	2.0% to 3.0%	2.0% to 2.5%	1.09% to 2.42%	1.0% to 2.5%
Required employee contribution rates	8%	8%	7%	6.75%
Required employer contribution rates	10.630%	10.630%	10.630%	10.630%
Unfunded Liability Contribution				
% of Payroll (illustrative only)	20.722%	20.722%	20.722%	20.722%
	<u>Safety</u>			
	Prior to February 26, 2011	February 27, 2011 through December 31, 2012	January 1, 2013 through current	
Hire date				
Benefit formula	3% @ 50	3.0% @ 55	2.7% @ 57	
Benefit vesting schedule	5 years service	5 years service	5 years service	
Benefit payments	Monthly for life	Monthly for life	Monthly for life	
Retirement age	50	50	50	
Monthly benefits, as a % of eligible compensation	3.0%	2.4% to 3.0%	2.0% to 2.7%	
Required employee contribution rates	9%	9%	13.50%	
Required employer contribution rates	21.100%	21.100%	21.100%	
Unfunded Liability Contribution				
% of Payroll (illustrative only)	24.960%	24.960%	24.960%	

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2022

NOTE 10 - EMPLOYEE BENEFITS (Continued)

A. General Information about the Pension Plans (Continued)

Employees Covered – For valuation date, as of June 30, 2020, the following employees were covered by the benefit terms for each Plan:

	<u>Miscellaneous</u>	<u>Safety</u>
Inactive employees or beneficiaries currently receiving benefits	479	245
Inactive employees entitled to but not yet receiving benefits	321	126
Active employees	<u>385</u>	<u>223</u>
Total	<u><u>1,185</u></u>	<u><u>594</u></u>

Contributions – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City of Visalia is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

B. Net Pension Liability

The City of Visalia's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2021, using an annual actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions – The total pension liabilities in the June 30, 2020 actuarial valuations were determined using the following actuarial assumptions:

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2022

NOTE 10 - EMPLOYEE BENEFITS (Continued)

B. Net Pension Liability (Continued)

	Miscellaneous	Safety
Valuation Date	June 30, 2020	June 30, 2020
Measurement Date	June 30, 2021	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.50%	2.50%
Payroll Growth	2.750%	2.750%
Projected Salary Increase	.40% - 8.5% (1)	.97% - 17.0% (1)
Investment Rate of Return	7.00% (2)	7.00% (2)
Post Retirement Benefit Increase	The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.50% thereafter	
Mortality (3)	Derived using CalPERS Membership Data for all Funds	

(1) Depending on age, service and type of employment

(2) Net of pension plan investment and administrative expenses, including inflation

(3) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2020 valuation were based on the results of a December 2017 actuarial experience study for the period 1997 to 2015. Further details of the Experience Study can found on the CalPERS website.

Long-term Expected Rate of Return – The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as followed:

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2022

NOTE 10 - EMPLOYEE BENEFITS (Continued)

B. Net Pension Liability (Continued)

Asset Class(a)	Assumed Asset Allocation	Real Return Years 1 - 10(b)	Real Return Years 11+(c)
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
Total	100%		

(a) In the System's ACFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(b) An expected inflation of 2.00% used for this period.

(c) An expected inflation of 2.92% used for this period.

Discount Rate – The discount rate used to measure the total pension liability was 7.15% for each Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board. These new assumptions will be reflected in the GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2022

NOTE 10 - EMPLOYEE BENEFITS (Continued)

C. Changes in the Net Pension Liability

The changes in the Net Pension Liability for each Plan are as follows:

Miscellaneous Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2020	<u>\$250,482,970</u>	<u>\$175,164,455</u>	<u>\$75,318,515</u>
Changes in the year:			
Service cost	4,395,969	-	4,395,969
Interest on the total pension liability	17,627,181	-	17,627,181
Differences between actual and expected experience	(88,959)	-	(88,959)
Contribution - employer	-	7,688,208	(7,688,208)
Contribution - employee	-	1,897,359	(1,897,359)
Net investment income	-	39,751,521	(39,751,521)
Administrative expenses	-	(174,979)	174,979
Benefit payments, including refunds of employee contributions	(12,115,961)	(12,115,961)	-
Net changes	<u>9,818,230</u>	<u>37,046,148</u>	<u>(27,227,918)</u>
Balance at June 30, 2021	<u><u>\$260,301,200</u></u>	<u><u>\$212,210,603</u></u>	<u><u>\$48,090,597</u></u>

Safety Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2020	<u>\$259,269,633</u>	<u>\$194,292,181</u>	<u>\$64,977,452</u>
Changes in the year:			
Service cost	6,473,248	-	6,473,248
Interest on the total pension liability	18,396,919	-	18,396,919
Differences between actual and expected experience	403,302	-	403,302
Contribution - employer	-	10,044,602	(10,044,602)
Contribution - employee	-	2,349,763	(2,349,763)
Net investment income	-	44,537,546	(44,537,546)
Administrative expenses	-	(194,086)	194,086
Benefit payments, including refunds of employee contributions	(11,219,989)	(11,219,989)	-
Net changes	<u>14,053,480</u>	<u>45,517,836</u>	<u>(31,464,356)</u>
Balance at June 30, 2021	<u><u>\$273,323,113</u></u>	<u><u>\$239,810,017</u></u>	<u><u>\$33,513,096</u></u>

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2022

NOTE 10 - EMPLOYEE BENEFITS (Continued)

C. Changes in the Net Pension Liability (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the City of Visalia for each Plan, calculated using the discount rate for each Plan, as well as what the City of Visalia’s net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
1% Decrease	6.15%	6.15%	6.15%
Net Pension Liability	\$82,127,961	\$73,267,202	\$155,395,163
Current Discount Rate	7.15%	7.15%	7.15%
Net Pension Liability	\$48,090,597	\$33,513,096	\$81,603,693
1% Increase	8.15%	8.15%	8.15%
Net Pension Liability	\$19,914,163	\$1,157,127	\$21,071,290

Pension Plan Fiduciary Net Position – Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

D. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2022, the City of Visalia recognized pension expense of \$4,980,648 (\$1,700,648 related to the Miscellaneous Plan and \$3,280,000 related to the Safety Plan). At June 30, 2022, the City of Visalia reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Miscellaneous Plan:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$8,224,107	\$ -
Differences between expected and actual experience	420,943	(670,240)
Net differences between projected and actual earnings on plan investments	-	(19,873,640)
Total	<u>\$8,645,050</u>	<u>(\$20,543,880)</u>

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2022

NOTE 10 - EMPLOYEE BENEFITS (Continued)

D. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Safety Plan:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$10,480,454	\$ -
Differences between expected and actual experience	1,477,891	(779,994)
Changes in assumptions	-	(172,320)
Net differences between projected and actual earnings on plan investments	-	(22,279,177)
Total	<u>\$11,958,345</u>	<u>(\$23,231,491)</u>
Grand Total	<u>\$20,603,395</u>	<u>(\$43,775,371)</u>

\$18,704,561 (\$8,224,107 related to the Miscellaneous Plan and \$10,480,454 related to the Safety Plan) reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Miscellaneous Plan:</u>		<u>Safety Plan:</u>	
Measurement Periods Ending	Annual Amortization	Measurement Periods Ending	Annual Amortization
June 30		June 30	
2022	(\$5,019,522)	2022	(\$5,317,721)
2023	(4,855,425)	2023	(4,925,661)
2024	(4,781,230)	2024	(5,458,582)
2025	(5,466,760)	2025	(6,051,636)
Total	<u>(\$20,122,937)</u>	Total	<u>(\$21,753,600)</u>

Expected Average Remaining Service Lifetime (EARSL) – Miscellaneous Plan – The EARSL for the plan for the measurement period ending June 30, 2021 is 3.4 years, which was obtained by dividing the total service years of 4,076 (the sum of remaining service lifetimes of the active employees) by 1,185 (the total number of participants: active, inactive, and retired). Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

Expected Average Remaining Service Lifetime (EARSL) – Safety Plan – The EARSL for the plan for the measurement period ending June 30, 2021 is 4.9 years, which was obtained by dividing the total service years of 2,899 (the sum of remaining service lifetimes of the active employees) by 594 (the total number of participants: active, inactive, and retired). Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2022

NOTE 10 - EMPLOYEE BENEFITS (Continued)

E. Liquidating Net Pension Liability

The net pension asset, liability, and related components for the miscellaneous plan are allocated to the governmental activities and business-type activities based on the distribution of current year contributions to the plan. At June 30, 2022, it is distributed 56% to governmental activities and 44% to business-type activities. The net pension asset, liability, and related components for the safety plan are distributed 100% to the governmental activities.

F. Payable to the Pension Plan

At June 30, 2022, the City of Visalia did not report a payable for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2022 as there were none outstanding.

G. Deferred Compensation Plan

City employees may defer a portion of their compensation under a City sponsored Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457. Under this plan, participants are not taxed on the deferred portion of their compensation until it is distributed to them; distributions may be made only at termination, retirement, death, or in an emergency as defined by the plan.

The laws governing deferred compensation plan assets require plan assets to be held by a Trust for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under these plans are not the City's property and are not subject to City control, they have been excluded from these financial statements.

The City has a contract with Mission Square, Empower, and CalPERS to manage and invest the assets of the plan; all pool the assets of the plan with those of other participants and do not make separate investments for employees.

H. Accrued Personnel Costs

Accrued personnel costs are costs that are related to payroll withholdings such as PERS contributions, supplemental life insurance, medical and dependent care flexible spending accounts, and union dues just to name a few.

I. Postemployment Health Care Benefits

City Policy permits retirees access to the City's health plan but at a cost determined each year by the City. The specific language of Policy 301 is "Retirees and their dependents are eligible for medical and vision benefits at a cost determined each year by the City. "

As of June 30, 2022, 46 retirees are participating in the City's health plan at full cost. Of these retirees 18 have dependent coverage. The full cost is up to \$1,125 per month for retiree and is up to an additional \$1,125 for their spouse. Family coverage is also available for an additional \$605 per month for a total family PPO premium up to \$2,855 per month fully funded by the retiree.

As an alternative, the City also offers retirees access to the City's high deductible health plan at a premium cost up to \$913 per month for the retiree and an additional \$913 for spouse. Family coverage is available for a total of \$2,283 per month.

J. Defined Contribution for Retiree Health Care

In 2011, the City adopted Resolution 2011-17 establishing the phase out of City subsidy to retiree health care cost by 2019. The guidelines included an additional 10 years to phase out the City's subsidy for qualifying retirees so that all

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2022

NOTE 10 - EMPLOYEE BENEFITS (Continued)

J. Defined Contribution for Retiree Health Care (Continued)

retirees pay full cost by 2029. A qualified retiree is defined as having a household income less than the Federal Social Security Earnings Limit and either a CalPERS Disability Retirement or 15 years of service with Visalia and eligible for Medicare.

Four retirees qualified for the 2022 reduced rate, all are enrolled as retirees only. The retiree cost is up to \$844 per month with the City subsidizing up to \$856 per month. Qualified retirees must re-certify every year to qualify for the subsidy. A portion of the City's subsidy will transition to the retiree each year until the qualified retirees are paying full cost in 2029 or they no longer qualify for this provision.

For fiscal year 2021-2022, the City's Retiree Health Care Contribution was approximately \$118,334.

NOTE 11 – RISK MANAGEMENT

A. Coverage

The City self-insures workers' compensation claims. The City retains or self-insures the first \$1,000,000 of claims and purchases insurance above the \$1,000,000 self-retention to \$25,000,000. The program is administered by a third party.

The City has public employee dishonesty insurance with a \$100,000 deductible and coverage up to \$5,000,000 per loss. The City's property and machinery insurance has various deductibles and various coverages based on the kind of machinery. During the past four years there have been no significant reductions in any of the City's insurance coverage and no settlement amounts have exceeded insurance coverage.

The City currently provides three medical plan options for employees and retirees: a Preferred Provider Plan (PPO), an Exclusive Provider (EPO) and a High Deductible Plan (HD). The City provides medical benefits through an insurance pool, Excess Insurance Authority – Health (EIA – Health) which in turn participates in a larger pool, Self-Insured Schools of California (SISC). The insurance pool is responsible for maintaining a reserve for incurred but not reported claims. The City retains an equity share in the assets and liabilities of both pools.

The City provides dental and vision coverage to employees through programs which are administered by a third party service agent. The City is self-insured for the dental and vision coverage. The City's dental and vision liability is calculated based upon the historical lag between when a claim is incurred and the time it takes to be paid. Historically, 2 months of claims remain in the system at any given time. The City calculated the estimated incurred but not reported (IBNR) claims by averaging the yearly claims and multiplying by 2.

The City is a member of the Authority for California Cities Excess Liability (ACCEL), a joint powers authority, which provides general liability coverage up to \$55,000,000 ultimate net loss per occurrence. The City retains the risk for the first \$1,000,000 in losses for each occurrence under this policy.

ACCEL was established for the purpose of creating a risk management pool for California municipalities. ACCEL is governed by a Board of Directors consisting of representatives of its member cities. The board controls the operations of ACCEL, including selection of management and approval of the annual budget.

The City's deposits with ACCEL are calculated based on the ratio of the City's payroll to the total payrolls of all entities, the losses of all members and the City's experience rate. Actual surpluses or losses are shared according to a formula developed from overall loss costs and spread to member entities on a percentage basis after a retrospective rating.

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2022

NOTE 11 – RISK MANAGEMENT (Continued)

A. Coverage (Continued)

During the fiscal year ended June 30, 2022, the City contributed \$1,435,908 to ACCEL for current year coverage. ACCEL audited financial statements are available from Alliant Insurance Services at 560 Mission Street, Sixth Floor, San Francisco, California 94105.

B. Liability for Uninsured Claims

The City provides for the uninsured portion of claims and judgments in the Risk Management Internal Service Fund. Claims and judgments, including a provision for claims incurred but not reported, are recorded when a loss is deemed probable of assertion and the amount of the loss is reasonably determinable. As discussed above, the City has coverage for such claims, but it has retained the risk for the deductible or uninsured portion of these claims.

The City's liability for uninsured claims is limited to general liability claims, as discussed above, and was estimated by management based on the fact that claims must be filed with the City within 6 months of the claim's occurrence. Incurred but not reported (IBNR) claims are estimated by taking the previous 5 year's average claim experience for a year and multiplying by .5 (6 month/12 months).

Changes in the balances of claim liabilities during the past three years are as follows:

	<u>Beginning of Year Liability</u>	<u>Current Year Claims & Changes in Estimates</u>	<u>Claim Payments</u>	<u>End of Year Liability</u>	<u>Due Within One Year</u>
2019-20	\$ 6,605,420	\$ 3,168,120	\$ (2,554,102)	\$ 7,219,438	\$ 841,499
2020-21	7,219,438	4,297,344	(2,687,882)	8,828,900	1,614,142
2021-22	8,828,900	2,776,089	(3,582,783)	8,022,206	859,236

NOTE 12 - CONTINGENT LIABILITIES AND COMMITMENTS

The City is subject to litigation arising in the normal course of business. In the opinion of the City Attorney, there is no pending litigation which is likely to have a material adverse effect on the financial position of the City.

At June 30, 2022, the City had made commitments of approximately \$24.5 million for outstanding construction projects and open purchase orders.

The City participates in Federal and State grant programs. These programs are subject to audit by the City's independent accountants in accordance with the provisions of Title 2 U.S. Code of Federal Regulations Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Award (Uniform Guidance) and applicable State requirements. No material cost disallowances were proposed as a result of these audits; however, these programs are still subject to further examination by the grantors, and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

NOTE 13 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through January 24, 2023, which is the date the basic financial statements were available to be issued are there are no notable events to report.

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2022

NOTE 14 – PRIOR PERIOD ADJUSTMENTS

	Government-wide Financial Statements		
	Governmental Activities	Business-Type Activities	Total
Net position at July 1, 2021 as previously reported	\$ 517,535,546	\$ 417,027,035	\$ 934,562,581
Error when unavailable revenue was booked	-	159,496	159,496
Error when revenue was booked	-	(250,419)	(250,419)
Baseball fund moved from Businss to Govrnmental fund	(41,005)	(570,901)	(611,906)
DOF interest methodolgy calculation adjustment	(448,095)	-	(448,095)
Accounts receivable adjustment	38,793	-	38,793
Net position at July 1, 2021, as restated	<u>\$ 517,085,239</u>	<u>\$ 416,365,211</u>	<u>\$ 933,450,450</u>

	Governmental Funds			Non-Major Governmental Funds
	General Fund	Transportation	Civic Center	
Fund balance at July 1, 2021 as previously reported	\$ 53,145,697	\$ 15,546,676	\$ 32,738,468	\$ 77,100,109
Error when unavailable revenue was booked	61,156	814,590	133,665	358,631
DOF interest methodolgy calculation adjustment	(448,095)	-	-	-
Accounts receivable adjustment	38,793	-	-	-
Fund balance at July 1, 2021, as restated	<u>\$ 52,797,551</u>	<u>\$ 16,361,266</u>	<u>\$ 32,872,133</u>	<u>\$ 77,458,740</u>

	Enterprise Funds	
	Water Reclamation Facility	Transit
Net position at July 1, 2021 as previously reported	\$ 231,090,459	\$ 71,979,001
Error when unavailable revenue was booked	159,496	-
Error when revenue was booked	-	(250,419)
Net position at July 1, 2021, as restated	<u>\$ 231,249,955</u>	<u>\$ 71,728,582</u>

	Fiduciary Funds
	Successor Agency
Net position at July 1, 2021 as previously reported	\$ (12,012,668)
DOF interest methodolgy calculation adjustment	448,095
Net position at July 1, 2021, as restated	<u>\$ (11,564,573)</u>

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2022

NOTE 15 – TRANSACTIONS WITH RELATED PARTIES

The related party transactions of the City are summarized as follows:

<u>Other Related Party Transactions</u>	<u>Related Parties</u>	<u>Purpose</u>	<u>Amount for the Year Ended June 30, 2022</u>
Downtown Visalians	City Council Member	Business tax surcharge (passthrough)	\$ 144,974
Downtown Visalians	City Council Member	Security, cleaning services and misc.	67,020
Total			<u>211,994</u>
Downtown Visalia Property Owners Association	City Council Member	Property Based Improvement District (passthrough)	490,000
Downtown Visalia Property Owners Association	City Council Member	Parking fund revenue match	(34,434)
Total			<u>455,566</u>
Total Related Party Transactions			<u><u>\$ 667,560</u></u>

NOTE 16 – LEASES RECEIVABLE

Some governmental and proprietary funds of the City lease property to others.

In the case of the governmental funds, such property includes buildings and land. The terms of these arrangements range from 5 to 36 years with the calculated interest rates used ranging from .20% to 1.50% depending on the length of the lease. For the year ended June 30, 2022, the City's governmental funds recognized \$144,757 in lease revenue and \$26,211 in lease interest revenue.

For proprietary funds, leased property includes buildings, office space, and land. The terms of these arrangements range from 5 to 40 years with the calculated interest rates used ranging from .20% to 1.50% depending on the length of the lease. For the year ended June 30, 2022, the City's proprietary funds recognized \$457,597 in lease revenue and \$73,690 in lease interest revenue.

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2022

NOTE 16 – LEASES RECEIVABLE (Continued)

A. Current Year Transactions and Balances

A summary of the changes in lease receivables for the fiscal year ended June 30, 2022 is as follows:

	Balance at June 30, 2021	Additions	Deletions	Balance at June 30, 2022	Due Within One Year	Due in More Than One Year
<u>Governmental Lease Receivable Activity</u>						
General Fund	\$ 579,628	\$ -	\$ (46,979)	\$ 532,649	\$ 52,302	\$ 480,347
Golf Course	1,430,299	-	(65,038)	1,365,261	75,875	1,289,386
Parking District	145,658	-	(1,686)	143,972	2,806	141,166
Total Governmental Activity	<u>\$ 2,155,585</u>	<u>\$ -</u>	<u>\$ (113,703)</u>	<u>\$ 2,041,882</u>	<u>\$ 130,983</u>	<u>\$ 1,910,899</u>
<u>Business-Type Lease Receivable Activity</u>						
Transit	\$ 219,336	\$ -	\$ (40,628)	\$ 178,708	\$ 45,293	\$ 133,415
Airport	6,294,465	-	(345,222)	5,949,243	409,372	5,539,871
Total Business-Type Activity	<u>\$ 6,513,801</u>	<u>\$ -</u>	<u>\$ (385,850)</u>	<u>\$ 6,127,951</u>	<u>\$ 454,665</u>	<u>\$ 5,673,286</u>

B. Scheduled Lease Receivables Due

Lease receivables are due in the upcoming years is as follows:

For the Year Ending June 30,	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 130,983	\$ 31,336	\$ 162,319	\$ 454,665	\$ 86,447	\$ 541,112
2024	126,326	27,488	153,814	438,640	77,044	515,684
2025	128,104	25,710	153,814	430,014	72,381	502,395
2026	129,908	23,905	153,813	401,014	67,867	468,881
2027	126,248	22,081	148,329	312,224	63,532	375,756
2028-2032	627,390	83,531	710,921	975,278	272,194	1,247,472
2033-2037	635,727	34,048	669,775	961,007	199,761	1,160,768
2038-2042	79,332	6,202	85,534	928,298	126,547	1,054,845
2043-2047	26,740	3,794	30,534	613,929	69,434	683,363
2048-2052	29,095	1,439	30,534	277,135	35,026	312,161
2053-2057	2,029	7	2,036	269,800	15,358	285,158
2058-2062	-	-	-	65,947	634	66,581
	<u>\$ 2,041,882</u>	<u>\$ 259,541</u>	<u>\$ 2,301,423</u>	<u>\$ 6,127,951</u>	<u>\$ 1,086,225</u>	<u>\$ 7,214,176</u>

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2022

NOTE 16 – LEASES RECEIVABLE (Continued)

C. Deferred Inflows of Resources – Leases

Lease revenue to be recognized in the upcoming years is as follows:

For the Year Ending June 30,	Governmental Activities Deferred Inflows of Resources to be Recognized	Business-Type Activities Deferred Inflows of Resources to be Recognized
2023	\$ 144,758	\$ 461,343
2024	144,758	450,613
2025	144,758	445,248
2026	144,758	436,321
2027	139,447	341,810
2028-2032	640,360	1,039,617
2033-2037	537,368	957,774
2038-2042	66,585	865,904
2043-2047	23,243	547,365
2048-2052	23,243	240,701
2053-2057	1,550	218,494
2058-2062	-	51,014
	\$ 2,010,828	\$ 6,056,204



**REQUIRED
SUPPLEMENTARY
INFORMATION**
(Unaudited)



City of Visalia
Required Supplementary Information (Unaudited)
Notes to the Budgetary Comparison Schedule
For the Year Ended June 30, 2022

Budget and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The biennial budget adopted by the City Council provides for the general operation of the City. It includes proposed expenditures and the means of financing them.
2. The City Council approves total budgeted appropriations and any amendments to appropriations throughout the year. This "appropriated budget" covers substantially all City expenditures. There were no significant non-budgeted financial activities. Actual expenditures may not exceed budgeted appropriations at the fund level. The City Manager is authorized to make transfers of budget appropriations between classifications and activities within a fund.
3. Formal budgetary integration is employed as a management control device. Commitments for materials and services, such as purchase orders and contracts, are recorded during the year as encumbrances to assist in controlling expenditures. Appropriations, which are encumbered at year end, are added to the following year's budgeted appropriations. However, encumbrances at year end are reported as committed fund balance.
4. Budgets are adopted on a basis substantially consistent with accounting principles generally accepted in the United States of America. Accordingly, actual revenues and expenditures can be compared with related budgeted amounts without any significant reconciling items. No budgetary comparisons are presented for Proprietary Funds as the City is not legally required to adopt a budget for these types of funds.
5. Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller, returned to the taxpayers through revised tax rates or revised fee schedules, or an excess in one year may be offset against a deficit in the following year. For the fiscal year ended June 30, 2022, based on calculations by City Management, proceeds of taxes did not exceed related appropriations. Further, Section 5 of Article XIII B allows the City to designate a portion of fund balance for general contingencies, to be used in future years without limitation.

CITY OF VISALIA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

REVENUES	Budgeted Amounts		Actual	Variance With Final Budget
	Original Budget	Final Budget		
Taxes				
Sales	\$ 30,995,400	\$ 30,995,400	\$ 47,052,657	\$ 16,057,257
Property	25,992,300	25,992,300	29,725,873	3,733,573
Transient Occupancy	2,288,900	2,288,900	4,589,178	2,300,278
Franchise	2,652,300	2,652,300	3,155,645	503,345
Business License	2,507,000	2,507,000	3,045,708	538,708
Total Taxes	64,435,900	64,435,900	87,569,061	23,133,161
Subventions and Grants				
Police and Other	473,700	3,552,492	1,436,979	(2,115,513)
Motor Vehicle License In-Lieu	65,000	65,000	160,874	95,874
Total Subventions and Grants	538,700	3,617,492	1,597,853	(2,019,639)
License and Permits				
Other License and Permits	76,100	76,100	46,588	(29,512)
Total License and Permits	76,100	76,100	46,588	(29,512)
Fees and Fines				
Vehicle Code and Parking Violations	720,000	720,000	418,163	(301,837)
Local Ordinance Violations	461,200	461,200	651,975	190,775
Total Fees and Fines	1,181,200	1,181,200	1,070,138	(111,062)
Use of Money and Property				
Interest Earned	539,000	539,000	(1,018,395)	(1,557,395)
Rents and Concessions	295,200	295,200	343,335	48,135
Total Use of Money and Property	834,200	834,200	(675,060)	(1,509,260)
Charges for Services				
Engineering and Subdivision Fees	892,400	892,400	1,996,811	1,104,411
Zoning Fees	213,600	213,600	354,250	140,650
Special Public Safety Services	1,250,300	1,250,300	1,550,070	299,770
Recreation Programs	1,577,800	1,577,800	979,798	(598,002)
Total Charges for Services	3,934,100	3,934,100	4,880,929	946,829
Other Revenue	1,360,700	1,360,700	2,381,522	1,020,822
Total Revenues	72,360,900	75,439,692	96,871,031	21,431,339

CITY OF VISALIA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2022

EXPENDITURES	Budgeted Amounts		Actual	Variance With Final Budget
	Original Budget	Final Budget		
Current:				
General Government	\$ 4,311,500	\$ 4,317,754	\$ 3,126,598	\$ 1,191,156
Community Development	2,143,200	2,149,700	3,045,632	(895,932)
Public Safety:				
Fire	14,573,500	14,588,148	16,324,009	(1,735,861)
Police	34,645,000	34,724,426	35,557,194	(832,768)
Public Works	4,264,100	4,286,959	4,276,183	10,776
Community Services	8,675,000	8,564,142	7,871,256	692,886
Capital Outlay	17,600	1,951,031	1,669,399	281,632
Debt Service (Note 7)				
Principal	32,600	32,600	114,433	(81,833)
Interest and Fiscal Charges	500	500	9,199	(8,699)
Total Expenditures	68,663,000	70,615,260	71,993,903	(1,378,643)
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,697,900	4,824,432	24,877,128	20,052,696
Other Financing Sources (Uses)				
Proceeds From Sale of Capital Assets	-	-	46,775	46,775
Transfers In	-	-	134	134
Transfers Out	(5,253,400)	(5,253,400)	(23,929,268)	(18,675,868)
Total Other Financing Sources (Uses)	(5,253,400)	(5,253,400)	(23,882,359)	(18,628,959)
Net Change in Fund Balance	\$ (1,555,500)	\$ (428,968)	994,769	\$ 1,423,737
Fund Balance Beginning of Year			53,145,697	
Prior Period Adjustment (Note 14)			(348,146)	
Fund Balance - Beginning of Year, as Restated			52,797,551	
Fund Balance - End of Year			\$ 53,792,320	

CITY OF VISALIA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - MEASURE N
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance With Final Budget
	Original Budget	Final Budget		
REVENUES				
Taxes				
Sales	\$ 11,704,700	\$ 11,704,700	\$ 19,717,002	\$ 8,012,302
Total Taxes	11,704,700	11,704,700	19,717,002	8,012,302
Subventions and Grants				
Police and Other	-	-	8,231	8,231
Total Subventions and Grants	-	-	8,231	8,231
Use of Money and Property				
Interest Earned	118,900	118,900	(944,964)	(1,063,864)
Total Use of Money and Property	118,900	118,900	(944,964)	(1,063,864)
Charges for Current Services	-	-	77,308	77,308
Other Revenue	-	-	40,521	40,521
Total Revenues	11,823,600	11,823,600	18,898,098	7,074,498
EXPENDITURES				
Current:				
General Government	274,300	274,300	271,018	3,282
Public Safety:				
Fire	1,019,400	1,019,400	1,286,697	(267,297)
Police	4,409,400	4,409,400	4,942,293	(532,893)
Community Services	787,900	803,252	668,948	134,304
Capital Outlay	9,112,400	4,438,890	4,279,194	159,696
Total Expenditures	15,603,400	10,945,242	11,448,150	(502,908)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,779,800)	878,358	7,449,948	6,571,590
Other Financing Sources				
Sale of Land	-	-	144,938	144,938
Total Other Financing Sources	-	-	144,938	144,938
Net Change in Fund Balance	<u>\$ (3,779,800)</u>	<u>\$ 878,358</u>	7,594,886	<u>\$ 6,716,528</u>
Fund Balance Beginning of Year			29,673,614	
Fund Balance - End of Year			<u>\$ 37,268,500</u>	

CITY OF VISALIA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - HOUSING & COMMUNITY GRANTS
FOR THE YEAR ENDED JUNE 30, 2022

	Final Budget	Actual	Variance With Final Budget
Revenues			
Subventions and Grants	\$ 6,801,829	\$ 3,952,484	\$ (2,849,345)
Fees and Fines	25,100	14,175	(10,925)
Uses of Money and Property	53,600	2,810	(50,790)
Charges for Current Services	-	5,000	5,000
Miscellaneous	5,500	638	(4,862)
Total Revenues	6,886,029	3,975,107	(2,910,922)
Expenditures			
Current:			
Community Development	73,100	79,739	(6,639)
Housing & Community Grants	2,040,247	947,055	1,093,192
Capital Outlay	2,336,004	2,229,013	106,991
Total Expenditures	4,449,351	3,255,807	1,193,544
Excess (Deficiency) of Revenue Over (Under) Expenditures	2,436,678	719,300	(1,717,378)
Other Financing Sources			
Transfers In	-	30,191	30,191
Total Other Financing Sources	-	30,191	30,191
Net Changes in Fund Balance	\$ 2,436,678	749,491	\$ (1,687,187)
Fund Balance - Beginning of Year		15,295,008	
Fund Balance - End of Year		\$ 16,044,499	

CITY OF VISALIA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - HOUSING SUCCESSOR AGENCY
FOR THE YEAR ENDED JUNE 30, 2022

	Final Budget	Actual	Variance With Final Budget
Revenues			
Subventions and Grants	\$ -	\$ 325,021	\$ 325,021
Uses of Money and Property	8,000	26,430	18,430
Miscellaneous	-	30	30
Total Revenues	<u>8,000</u>	<u>351,481</u>	<u>343,481</u>
Expenditures			
Current:			
General Government	112,200	180,779	(68,579)
Capital Outlay	<u>529,320</u>	<u>329,320</u>	<u>200,000</u>
Total Expenditures	<u>641,520</u>	<u>510,099</u>	<u>131,421</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>(633,520)</u>	<u>(158,618)</u>	<u>474,902</u>
Other Financing Sources (Uses)			
Sale of Land	<u>-</u>	<u>41,331</u>	<u>(41,331)</u>
Total Other Financing Sources	<u>-</u>	<u>41,331</u>	<u>(41,331)</u>
Net Changes in Fund Balance	<u>\$ (633,520)</u>	<u>(117,287)</u>	<u>\$ 433,571</u>
Fund Balance - Beginning of Year		<u>10,702,480</u>	
Fund Balance - End of Year		<u>\$ 10,585,193</u>	

CITY OF VISALIA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - AMERICAN RESCUE PLAN
FOR THE YEAR ENDED JUNE 30, 2022

	Final Budget	Actual	Variance With Final Budget
Revenues			
Subventions and Grants	\$ -	\$ 879,318	\$ 879,318
Uses of Money and Property	-	63,786	63,786
Miscellaneous	-	128	128
Total Revenues	-	943,232	943,232
Expenditures			
Capital Outlay	615,834	879,318	(263,484)
Total Expenditures	615,834	879,318	(263,484)
Excess (Deficiency) of Revenue Over (Under) Expenditures	(615,834)	63,914	679,748
Net Changes in Fund Balance	<u>\$ (615,834)</u>	63,914	<u>\$ 679,748</u>
Fund Balance - Beginning of Year		<u>2,767</u>	
Fund Balance - End of Year		<u>\$ 66,681</u>	

Required Supplementary Information

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2022

**CITY OF VISALIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED:**

	2020-21 ¹	2019-20 ¹	2018-19 ¹	2017-18 ¹	2016-17 ¹	2015-16 ¹	2014-15 ¹	2013-14 ¹
Miscellaneous Plan								
Measurement Period								
TOTAL PENSION LIABILITY								
Service Cost	\$ 4,395,969	\$ 4,403,664	\$ 4,255,037	\$ 4,192,969	\$ 4,245,437	\$ 3,786,783	\$ 3,692,092	\$ 3,797,356
Interest ¹	17,627,181	16,958,814	16,380,941	15,535,179	14,997,055	14,571,322	13,839,466	13,175,275
Changes of Benefit Terms	(88,959)	(1,346,753)	2,525,650	(286,874)	(2,890,524)	431,303	(307,086)	-
Difference Between Expected and Actual Experience	(12,115,961)	(11,727,761)	(10,795,043)	(1,586,819)	12,685,479	(8,700,574)	(3,447,570)	(7,668,885)
Changes of Assumptions	9,818,230	8,267,964	12,366,585	7,737,506	19,521,684	10,088,834	5,905,555	9,303,746
Benefit Payments, Including Refunds of Employee Contributions	250,482,970	242,215,006	229,848,421	222,110,915	202,589,231	192,500,397	186,909,842	177,606,096
Net Change in Total Pension Liability	\$ 260,301,200	\$ 250,482,970	\$ 242,215,006	\$ 229,848,421	\$ 222,110,915	\$ 202,589,231	\$ 192,500,397	\$ 186,909,842
Total Pension Liability - Beginning								
Total Pension Liability - Ending (a)								
PLAN FIDUCIARY NET POSITION								
Contributions - Employer	\$ 7,688,208	\$ 7,072,583	\$ 6,219,874	\$ 5,482,359	\$ 5,129,632	\$ 4,678,278	\$ 4,077,411	\$ 3,947,176
Contributions - Employee	1,897,359	1,918,767	1,845,020	1,850,278	1,781,007	1,733,983	1,747,629	1,809,951
Net Investment Income	39,751,521	8,526,757	10,604,879	12,914,267	15,518,122	742,388	3,174,848	21,053,194
Benefit Payments, Including Refunds of Employee Contributions	(12,115,961)	(11,727,761)	(10,795,043)	(10,116,949)	(9,515,763)	(8,700,574)	(8,186,347)	(7,668,885)
Net Plan to Plan Resource Movement	(174,979)	(239,113)	(115,502)	(376)	(206,266)	(86,138)	(159,136)	-
Administrative Expense				(237,501)				
Other Miscellaneous Income/(Expense) ²			376	(451,018)				
Net Change in Fiduciary Net Position	37,046,148	5,551,233	7,759,604	9,441,060	12,706,732	(1,632,063)	654,405	19,141,436
Plan Fiduciary Net Position - Beginning ³	175,164,455	169,613,222	161,853,618	152,412,558	139,705,826	141,337,889	140,683,484	121,542,048
Plan Fiduciary Net Position - Ending (b)	\$ 212,210,603	\$ 175,164,455	\$ 169,613,222	\$ 161,853,618	\$ 152,412,558	\$ 139,705,826	\$ 141,337,889	\$ 140,683,484
PLAN NET PENSION LIABILITY/(ASSET) - ENDING (a)-(b)	\$ 48,090,597	\$ 75,318,515	\$ 72,601,784	\$ 67,994,803	\$ 69,698,357	\$ 62,883,405	\$ 51,162,508	\$ 46,226,358
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.53%	69.93%	70.03%	70.42%	68.62%	68.96%	73.42%	75.27%
Covered Payroll ⁴	\$ 25,483,876	\$ 25,250,366	\$ 23,916,793	\$ 23,303,337	\$ 22,840,895	\$ 22,218,995	\$ 21,309,546	\$ 20,653,520
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	188.71%	298.29%	303.56%	291.78%	305.15%	283.02%	240.09%	223.82%

¹ Historical information is presented only for measurement periods for which GASB 68 is applicable. Additional years information will be displayed as it becomes available.

² During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

³ Includes any beginning of year adjustments.

⁴ Includes one year's payroll growth using 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-21; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

Notes to Schedule:

Benefit Changes: The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the Valuation Date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

Changes of Assumptions: None in 2019 - 2021. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

Required Supplementary Information

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2022

**CITY OF VISALIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED:**

Safety Plan	2020-21 ¹	2019-20 ¹	2018-19 ¹	2017-18 ¹	2016-17 ¹	2015-16 ¹	2014-15 ¹	2013-14 ¹
Measurement Period								
TOTAL PENSION LIABILITY								
Service Cost	\$ 6,473,248	\$ 6,324,588	\$ 6,222,413	\$ 5,995,204	\$ 5,853,759	\$ 5,349,411	\$ 5,222,479	\$ 5,100,652
Interest	18,396,919	17,437,680	16,600,696	15,464,636	14,715,002	14,186,919	13,269,691	12,494,891
Changes of Benefit Terms	403,302	(1,240,319)	3,326,073	(517,263)	(4,891,206)	807,923	(373,500)	-
Difference Between Expected and Actual Experience				(1,321,124)	13,266,074		(3,509,871)	-
Changes of Assumptions	(11,219,989)	(10,427,951)	(9,427,686)	(8,593,404)	(8,040,046)	(7,578,069)	(7,169,237)	(6,653,993)
Benefit Payments, Including Refunds of Employee Contributions	14,053,480	12,093,998	16,721,496	11,028,000	20,903,583	12,766,184	7,439,562	10,941,550
Net Change in Total Pension Liability	259,269,633	247,175,635	230,454,139	219,426,090	198,522,507	185,756,323	178,316,761	167,375,211
Total Pension Liability - Beginning	\$ 273,323,113	\$ 259,269,633	\$ 247,175,635	\$ 230,454,139	\$ 219,426,090	\$ 198,522,507	\$ 185,756,323	\$ 178,316,761
Total Pension Liability - Ending (a)								
PLAN FIDUCIARY NET POSITION								
Contributions - Employer	\$ 10,044,602	\$ 8,928,558	\$ 8,085,201	\$ 7,221,051	\$ 6,623,640	\$ 6,259,154	\$ 5,610,391	\$ 5,703,922
Contributions - Employee	2,349,763	2,142,637	2,172,900	1,924,202	1,846,297	1,750,054	1,805,168	1,618,205
Net Investment Income	44,537,546	9,341,900	11,443,404	13,555,587	15,911,405	717,302	3,141,564	20,530,453
Benefit Payments, Including Refunds of Employee Contributions	(11,219,989)	(10,427,951)	(9,427,686)	(8,593,404)	(8,040,046)	(7,578,069)	(7,169,237)	(6,653,993)
Net Plan to Plan Resource Movement	(194,086)	(260,195)	(123,040)	(247,809)	(210,978)	(86,447)	(159,587)	-
Other Miscellaneous Income/(Expense) ²	45,517,836	9,724,949	12,151,179	13,388,634	16,130,318	1,052,032	3,228,299	21,198,587
Net Change in Fiduciary Net Position	194,292,181	184,567,232	172,416,053	159,027,419	142,897,101	141,845,069	138,616,770	117,418,183
Plan Fiduciary Net Position - Beginning ³	\$ 239,810,017	\$ 194,292,181	\$ 184,567,232	\$ 172,416,053	\$ 159,027,419	\$ 142,897,101	\$ 141,845,069	\$ 138,616,770
Plan Fiduciary Net Position - Ending (b)								
PLAN NET PENSION LIABILITY/(ASSET) - ENDING (a)-(b)	\$ 33,513,096	\$ 64,977,452	\$ 62,608,403	\$ 58,038,086	\$ 60,398,671	\$ 55,625,406	\$ 43,911,254	\$ 39,699,991
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.74%	74.94%	74.67%	74.82%	72.47%	71.98%	76.36%	77.74%
Covered Payroll ⁴	\$ 21,898,673	\$ 21,060,898	\$ 20,360,634	\$ 19,541,081	\$ 18,777,695	\$ 19,201,043	\$ 18,560,232	\$ 17,363,328
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	153.04%	308.52%	307.50%	297.01%	321.65%	289.70%	236.59%	228.64%

¹ Historical information is presented only for measurement periods for which GASB 68 is applicable. Additional years information will be displayed as it becomes available.

² During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

³ Includes any beginning of year adjustments.

⁴ Includes one year's payroll growth using 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-21; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

Notes to Schedule:

Benefit Changes: The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the Valuation Date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

Changes of Assumptions: None in 2019 - 2021. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

Required Supplementary Information

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2022

CITY OF VISALIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
FOR THE YEAR ENDED:

Miscellaneous Plan

Fiscal Year ¹	Actuarially Determined Contribution (ADC)	Contributions in Relation to the ADC	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2021-22	\$ 8,224,107	\$ (8,224,107)	\$ -	\$ 26,244,915	31.34%
2020-21	7,688,208	(7,688,208)	-	25,483,876	30.17%
2019-20	7,072,583	(7,072,583)	-	25,250,366	28.01%
2018-19	6,219,874	(6,219,874)	-	23,916,793	26.01%
2017-18	5,482,359	(5,482,359)	-	23,303,337	23.53%
2016-17	5,129,632	(5,129,632)	-	22,840,895	22.46%
2015-16	4,678,278	(4,678,278)	-	22,218,995	21.06%
2014-15	4,077,411	(4,077,411)	-	21,309,546	19.13%
2013-14	3,947,176	(3,947,176)	-	20,653,520	19.11%

Safety Plan

Fiscal Year ¹	Actuarially Determined Contribution (ADC)	Contributions in Relation to the ADC	Contribution Deficiency (Excess)	Covered Payroll ²	Contributions as a Percentage of Covered Payroll
2021-22	\$ 10,480,454	\$ (10,480,454)	\$ -	\$ 22,762,490	46.04%
2020-21	10,044,602	(10,044,602)	-	21,898,673	45.87%
2019-20	8,928,558	(8,928,558)	-	21,060,898	42.39%
2018-19	8,085,201	(8,085,201)	-	20,360,634	39.71%
2017-18	7,221,051	(7,221,051)	-	19,541,081	36.95%
2016-17	6,623,640	(6,623,640)	-	18,777,695	35.27%
2015-16	6,259,154	(6,259,154)	-	19,201,043	32.60%
2014-15	5,610,391	(5,610,391)	-	18,560,232	30.23%
2013-14	5,703,922	(5,703,922)	-	17,363,328	32.85%

¹ Historical information is presented only for measurement periods for which GASB 68 is applicable. Additional years information will be displayed as it becomes available.

² Includes one year's payroll growth using 2.75% payroll growth assumption for fiscal years ended June 30, 2018-21; 3.00% payroll growth assumption for fiscal years ended June 30, 2014-17.

Notes to Schedule

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2020-21 were derived from the June 30, 2018 funding valuation report.

Actuarial Cost Method	Entry Age Normal.
Amortization Method/Period	For details, see June 30, 2018 Funding Valuation Report.
Asset Valuation Method	Fair Value of Assets. For details, see June 30, 2018 Funding Valuation Report.
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service.
Payroll Growth	2.75%
Investment Rate of Return	7.00% Net of Pension Plan Investment and Administrative Expenses; includes Inflation.
Retirement Age	The probabilities of Retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

Other information:

For changes to previous years' information, refer to past GASB 68 reports.

SUPPLEMENTARY INFORMATION



CITY OF VISALIA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - TRANSPORTATION
FOR THE YEAR ENDED JUNE 30, 2022

	Final Budget	Actual	Variance With Final Budget
Revenues			
Fees and Fines	\$ 4,089,300	\$ 6,728,696	\$ 2,639,396
Uses of Money and Property	124,700	(573,505)	(698,205)
Miscellaneous	-	55,588	55,588
Total Revenues	<u>4,214,000</u>	<u>6,210,779</u>	<u>1,996,779</u>
Expenditures			
Current:			
Public Works	40,000	35,375	4,625
Capital Outlay	<u>4,070,676</u>	<u>3,040,445</u>	<u>1,030,231</u>
Total Expenditures	<u>4,110,676</u>	<u>3,075,820</u>	<u>1,034,856</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>103,324</u>	<u>3,134,959</u>	<u>3,031,635</u>
Net Changes in Fund Balance	<u>\$ 103,324</u>	<u>3,134,959</u>	<u>\$ 3,031,635</u>
Fund Balance - Beginning of Year		15,546,676	
Prior Period Adjustment (Note 14)		<u>814,590</u>	
Fund Balances - Beginning of Year, as Restated		<u>16,361,266</u>	
Fund Balance - End of Year		<u>\$ 19,496,225</u>	

CITY OF VISALIA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - CIVIC CENTER
FOR THE YEAR ENDED JUNE 30, 2022

	Final Budget	Actual	Variance With Final Budget
Revenues			
Uses of Money and Property	-	(972,043)	(972,043)
Total Revenues	-	(972,043)	(972,043)
Expenditures			
Current:			
General Government	-	6,503	(6,503)
Capital Outlay	310,902	310,902	-
Total Expenditures	310,902	317,405	(6,503)
Excess (Deficiency) of Revenue Over (Under) Expenditures	(310,902)	(1,289,448)	(978,546)
Other Financing Sources (Uses)			
Sale of Land	-	1,200,000	1,200,000
Transfers In	-	14,221,739	14,221,739
Total Other Financing Sources	-	15,421,739	15,421,739
Net Changes in Fund Balance	<u>\$ (310,902)</u>	14,132,291	<u>\$ 14,443,193</u>
Fund Balance - Beginning of Year		32,738,468	
Prior Period Adjustment (Note 14)		133,665	
Fund Balances - Beginning of Year, as Restated		<u>32,872,133</u>	
Fund Balance - End of Year		<u>\$ 47,004,424</u>	

NON- MAJOR GOVERNMENTAL FUNDS



SPECIAL REVENUE FUNDS

WATERWAYS

Established to account for the acquisition and landscaping of development buffers along designated waterways. This is funded by monthly rates and development impact fees.

GROUNDWATER RECHARGE

Established to account for the costs of recharging the City's underground water system. The funding is provided by monthly rates and development fees.

KAWEAH LAKE AND LOCAL STORMWATER MAINTENANCE

Established to account for the costs of adding to the water holding capacity of Lake Kaweah (a source of the City's water) and was expanded to include the maintenance of local storm channels by a successful ballot election that concluded on March 18, 2013. The funding is provided by monthly rates and development fees.

SPECIAL SERVICE DISTRICTS

Established to account for the maintenance of landscape districts throughout the City. Revenue is collected from fees charged to property owners in the districts.

NORTHEAST AREA

Funded by fees collected on Northeast properties at the time of building permit issuance; monies can only be used for improvements specified in the Northeast Area Master Plan.

GRANT & LOAN FUNDS

Established to account for various funds receiving federal funding. Also established to account for the loans given to the City for low and moderate income housing assistance by the California Housing Finance Agency. Federal funding received provides for such activities as community policing, bicycle and foot patrol in business districts in the City of Visalia.

NARCOTICS FORFEITURE

Established to account for money received from narcotics seizures of cash and property as authorized by the Health and Safety Code. Monies deposited in this fund are invested until a court determines whether the money must be returned to the previous owner or the fund are forfeited to the City which may use the seized funds for the recovery of narcotics law enforcement costs associated with the seized funds.

MEASURE T – POLICE

Established to account for increased Police operational and capital expenditures. Financing is provided by 60% of the ¼ cent sales tax ballot measure (T) approved by voters during the March 2, 2004, primary election. No sales tax funds can replace General Fund dollars budgeted for normal operations at the previous years' service level unless the City Council declares an economic emergency by a 4/5th vote.

MEASURE T – FIRE

Established to account for increased Fire operational and capital expenditures. Financing is provided by 40% of the ¼ cent sales tax ballot measure (T) approved by voters during the March 2, 2004, primary election. No sales tax funds can replace General Fund dollars budgeted for normal operations at the previous years' service level unless the City Council declares an economic emergency by a 4/5th vote.

MEASURE R – LOCAL

Established to account for the costs of specific local transportation projects and for its funding from a ¼ cent sales tax ballot measure (R) approved by the voters.

MEASURE R – REGIONAL

The Measure R Regional Fund is used to account for the costs of specific transportation projects and for its funding from a ¼ cent sales tax ballot measure (R) approved by the voters for regional, transit, bike and pedestrian projects.

Non-Major Governmental Funds

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2022

TRANSPORTATION GRANTS

Established to account for the financing and construction of streets, roads, and various transportation infrastructure and facilities. Funding is provided by ¼ cent of the 7 ¼ cent retail sales tax collected statewide and by Proposition 1B funds for streets and transit.

GOLF COURSE

Established to account for the major repairs to buildings and equipment (ie heating/cooling equipment) located at the Golf Course. Revenue is collected through the lease of the Golf Course to Course Co.

CASP PROGRAM

Established to account for the additional \$1 assessed to all business licenses as required by the State of California Senate Bill (SB) 1186. SB 1186 adds new rules and protections for business owners related to access compliance requirements set forth under the ADA, the California Building Code, and SB 1608.

OAK TREE PRESERVATION

Established to account for the activity of oak tree preservation and maintenance throughout the City. Revenue is collected from fees charged to property owners for removal of Oak Trees.

CONSERVATION

Established for energy conservation projects throughout the City. Revenue is collected from grants, reimbursements and incentives.

POLICE UNCLAIMED FUNDS

Established to track and account for money that is found or seized and no longer required as evidence and remains unclaimed after three years. If the money remains unclaimed the money becomes the property of the City. This fund should not be confused with Narcotics Forfeiture Funds.

DEBT SERVICE FUNDS

VPFA 2014 REFUNDING CERTIFICATES OF PARTICIPATION

Established to account for the payment of the VPFA 2014 Refunding Certificates of Participation.

2015 CERTIFICATES OF PARTICIPATION

Established to account for the payment of the 2015 Certificates of Participation.

CAPITAL PROJECTS FUNDS

SOFTBALL FACILITY DEVELOPMENT

Established to account for the financing and improvement and/or development of a community softball facility. Financing is provided from fees charged to existing softball facility users specifically for future development or improvement.

HIGHWAY USERS

Established to account for the construction and improvement of streets and roads. Financing is provided by grant funds received from state sale taxes on gasoline.

RECREATIONAL FACILITIES

Established to account for the acquisition and development of park and open space. Financing is provided by fees paid by developers in lieu of providing parks and open space.

STORM SEWER CONSTRUCTION

Established to account for the acquisition and installation of storm drain systems. Financing is provided by a specific storm sewer fee charged to new developments.

Non-Major Governmental Funds

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2022

PUBLIC SAFETY IMPACT FEE

Established to defray the costs of public safety facilities needed as a result of new development projects. Funding is provided by fees charged to new developments.

GOVERNMENT FACILITIES IMPACT FEE

Established to defray the cost of public facilities (i.e., Civic Center, Corporation Yard, and Library) needed as a result of new development projects. Funding is provided by fees charged to new developments.

PARKING DISTRICT

Established to account for acquisition and development of downtown parking facilities. Funding is provided by a specific fee charged on new development and expanded uses within the central business district. Therefore, it is not governed by a formal budget and its financial presentation reflects changes in assets and liabilities as well as the flow of resources.

FACILITY IMPROVEMENTS

Established to account for the maintenance and improvements to City facilities.

SPORTS COMPLEX

Established to account for the construction of the sports complex.

ANIMAL CONTROL RESERVE

Established to account for the construction of the Animal Control Facility.

BASEBALL

Established to account for the maintenance and improvements to the baseball facility.

CITY OF VISALIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2022

	SPECIAL REVENUE FUNDS			
	Waterways	Groundwater Recharge	Kaweah Lake and Local Storm Water Maintenance	Special Service Districts
ASSETS				
Cash and Investments	\$ 3,899,736	\$ 3,695,861	\$ 638,034	\$ 13,832,679
Restricted Cash and Investments	-	-	-	-
Accounts Receivable	43,537	104,327	44,552	7,178
Lease Receivable	-	-	-	-
Taxes Receivable	-	189,321	-	133,514
Notes and Loans Receivable	159,540	-	-	-
Inventory	-	85,031	-	-
Due from Other Governmental Units	-	-	-	-
Total Assets	\$ 4,102,813	\$ 4,074,540	\$ 682,586	\$ 13,973,371
LIABILITIES				
Accounts, Interest and Contracts Payable	\$ 41,655	\$ 2,014	\$ -	\$ 501,905
Advance from Other Funds	-	-	-	971,223
Customer Deposits	-	-	-	-
Unearned Revenue	-	85,031	-	-
Total Liabilities	41,655	87,045	-	1,473,128
DEFERRED INFLOWS OF RESOURCES				
Asset Forfeiture	-	-	-	-
Impact Fees	3,471	940	-	-
Leases	-	-	-	-
Total Deferred Inflows of Resources	3,471	940	-	-
FUND BALANCES				
Restricted	4,057,687	3,986,555	682,586	12,500,243
Committed	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (Deficit)	4,057,687	3,986,555	682,586	12,500,243
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 4,102,813	\$ 4,074,540	\$ 682,586	\$ 13,973,371

CITY OF VISALIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS (Continued)
JUNE 30, 2022

	SPECIAL REVENUE FUNDS			
	Northeast Area	Grant & Loan Funds	Narcotics Forfeiture	Measure T Police
ASSETS				
Cash and Investments	\$ 707,305	\$ 160,459	\$ 804,367	\$ 5,674,695
Restricted Cash and Investments	-	-	-	-
Accounts Receivable	9,615	-	-	-
Lease Receivable	-	-	-	-
Taxes Receivable	-	3,644	-	1,121,132
Notes and Loans Receivable	-	-	-	-
Inventory	-	-	-	-
Due from Other Governmental Units	-	-	-	-
	\$ 716,920	\$ 164,103	\$ 804,367	\$ 6,795,827
LIABILITIES				
Accounts, Interest and Contracts Payable	\$ -	\$ 2,897	\$ 6	\$ 1,152
Advance from Other Funds	-	-	-	-
Customer Deposits	-	-	334,396	-
Unearned Revenue	-	-	-	-
	-	2,897	334,402	1,152
DEFERRED INFLOWS OF RESOURCES				
Asset Forfeiture	-	-	460,493	-
Impact Fees	9,614	-	-	-
Leases	-	-	-	-
	9,614	-	460,493	-
FUND BALANCES				
Restricted	707,306	161,206	9,472	6,794,675
Committed	-	-	-	-
Unassigned	-	-	-	-
	707,306	161,206	9,472	6,794,675
Total Fund Balances (Deficit)	707,306	161,206	9,472	6,794,675
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 716,920	\$ 164,103	\$ 804,367	\$ 6,795,827

CITY OF VISALIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS (Continued)
JUNE 30, 2022

	SPECIAL REVENUE FUNDS			
	Measure T Fire	Measure R Local	Measure R Regional	Transportation Grants
ASSETS				
Cash and Investments	\$ 6,158,356	\$ 9,990,616	\$ -	\$ 3,750,956
Restricted Cash and Investments	-	-	-	-
Accounts Receivable	-	-	-	-
Lease Receivable	-	-	-	-
Taxes Receivable	747,421	317,143	392,260	-
Notes and Loans Receivable	-	-	-	-
Inventory	-	-	-	-
Due from Other Governmental Units	-	-	-	94,565
Total Assets	<u>\$ 6,905,777</u>	<u>\$ 10,307,759</u>	<u>\$ 392,260</u>	<u>\$ 3,845,521</u>
LIABILITIES				
Accounts, Interest and Contracts Payable	\$ 11,048	\$ 7,017	\$ 50,698	\$ 34,122
Advance from Other Funds	-	-	392,008	-
Customer Deposits	-	-	-	-
Unearned Revenue	-	-	-	-
Total Liabilities	<u>11,048</u>	<u>7,017</u>	<u>442,706</u>	<u>34,122</u>
DEFERRED INFLOWS OF RESOURCES				
Asset Forfeiture	-	-	-	-
Impact Fees	-	-	-	-
Leases	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted	6,894,729	10,300,742	-	3,811,399
Committed	-	-	-	-
Unassigned	-	-	(50,446)	-
Total Fund Balances (Deficit)	<u>6,894,729</u>	<u>10,300,742</u>	<u>(50,446)</u>	<u>3,811,399</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 6,905,777</u>	<u>\$ 10,307,759</u>	<u>\$ 392,260</u>	<u>\$ 3,845,521</u>

CITY OF VISALIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS (Continued)
JUNE 30, 2022

	SPECIAL REVENUE FUNDS			
	Golf Course	CASP Program	Oak Tree Preservation	Conservation
ASSETS				
Cash and Investments	\$ 272,463	\$ 420,016	\$ 273,333	\$ 241,138
Restricted Cash and Investments	-	-	-	-
Accounts Receivable	-	-	-	-
Lease Receivable	1,365,261	-	-	-
Taxes Receivable	-	-	-	-
Notes and Loans Receivable	-	-	-	-
Inventory	-	-	-	-
Due from Other Governmental Units	-	-	-	-
	<u>\$ 1,637,724</u>	<u>\$ 420,016</u>	<u>\$ 273,333</u>	<u>\$ 241,138</u>
LIABILITIES				
Accounts, Interest and Contracts Payable	\$ 73	\$ 2,699	\$ -	\$ -
Advance from Other Funds	-	-	-	-
Customer Deposits	-	-	-	-
Unearned Revenue	-	-	-	-
	<u>73</u>	<u>2,699</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Asset Forfeiture	-	-	-	-
Impact Fees	-	-	-	-
Leases	1,343,615	-	-	-
	<u>1,343,615</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted	294,036	417,317	-	-
Committed	-	-	273,333	241,138
Unassigned	-	-	-	-
	<u>294,036</u>	<u>417,317</u>	<u>273,333</u>	<u>241,138</u>
Total Fund Balances (Deficit)	<u>294,036</u>	<u>417,317</u>	<u>273,333</u>	<u>241,138</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,637,724</u>	<u>\$ 420,016</u>	<u>\$ 273,333</u>	<u>\$ 241,138</u>

CITY OF VISALIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS (Continued)
JUNE 30, 2022

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS		CAPITAL PROJECT FUNDS
	Police Unclaimed Funds	VPFA 2014 Refunding Certificates of Participation	2015 Certificates of Participation	Softball Facility Development
ASSETS				
Cash and Investments	\$ 230,941	\$ -	\$ -	\$ 1,099
Restricted Cash and Investments	-	-	8,685	-
Accounts Receivable	-	-	-	-
Lease Receivable	-	-	-	-
Taxes Receivable	-	-	-	-
Notes and Loans Receivable	-	-	-	-
Inventory	-	-	-	-
Due from Other Governmental Units	-	-	-	-
Total Assets	<u>\$ 230,941</u>	<u>\$ -</u>	<u>\$ 8,685</u>	<u>\$ 1,099</u>
LIABILITIES				
Accounts, Interest and Contracts Payable	\$ 1,176	\$ 1,888	\$ 25,487	\$ -
Advance from Other Funds	-	-	-	-
Customer Deposits	-	-	-	-
Unearned Revenue	105,667	-	-	-
Total Liabilities	<u>106,843</u>	<u>1,888</u>	<u>25,487</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Asset Forfeiture	-	-	-	-
Impact Fees	-	-	-	-
Leases	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted	-	-	8,685	1,099
Committed	124,098	-	-	-
Unassigned	-	(1,888)	(25,487)	-
Total Fund Balances (Deficit)	<u>124,098</u>	<u>(1,888)</u>	<u>(16,802)</u>	<u>1,099</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 230,941</u>	<u>\$ -</u>	<u>\$ 8,685</u>	<u>\$ 1,099</u>

CITY OF VISALIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS (Continued)
JUNE 30, 2022

	CAPITAL PROJECT FUNDS			
	Highway Users	Recreational Facilities	Storm Sewer Construction	Public Safety Impact Fee
ASSETS				
Cash and Investments	\$ 12,991,131	\$ 8,888,750	\$ 4,596,256	\$ 853,949
Restricted Cash and Investments	-	-	-	-
Accounts Receivable	-	1,220,993	170,908	745,903
Lease Receivable	-	-	-	-
Taxes Receivable	515,771	-	15,039	-
Notes and Loans Receivable	-	-	6,093	84,310
Inventory	-	-	-	-
Due from Other Governmental Units	10,992	-	-	-
Total Assets	<u>\$ 13,517,894</u>	<u>\$ 10,109,743</u>	<u>\$ 4,788,296</u>	<u>\$ 1,684,162</u>
LIABILITIES				
Accounts, Interest and Contracts Payable	\$ 179,668	\$ 4,217	\$ 200,070	\$ 18
Advance from Other Funds	-	-	-	-
Customer Deposits	-	-	-	-
Unearned Revenue	-	-	-	-
Total Liabilities	<u>179,668</u>	<u>4,217</u>	<u>200,070</u>	<u>18</u>
DEFERRED INFLOWS OF RESOURCES				
Asset Forfeiture	-	-	-	-
Impact Fees	-	1,220,992	105,265	745,903
Leases	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>1,220,992</u>	<u>105,265</u>	<u>745,903</u>
FUND BALANCES				
Restricted	13,338,226	8,884,534	4,482,961	938,241
Committed	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (Deficit)	<u>13,338,226</u>	<u>8,884,534</u>	<u>4,482,961</u>	<u>938,241</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 13,517,894</u>	<u>\$ 10,109,743</u>	<u>\$ 4,788,296</u>	<u>\$ 1,684,162</u>

CITY OF VISALIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS (Continued)
JUNE 30, 2022

	CAPITAL PROJECT FUNDS			
	Government Facilities Impact Fee	Parking District	Facility Improvements	Sports Complex
ASSETS				
Cash and Investments	\$ 8,556,647	\$ 3,821,481	\$ 761,099	\$ 560,441
Restricted Cash and Investments	-	-	-	-
Accounts Receivable	431,254	1,030	-	-
Lease Receivable	-	143,972	-	-
Taxes Receivable	-	-	-	-
Notes and Loans Receivable	148,073	117,122	-	-
Inventory	-	-	-	-
Due from Other Governmental Units	-	-	-	-
Total Assets	<u>\$ 9,135,974</u>	<u>\$ 4,083,605</u>	<u>\$ 761,099</u>	<u>\$ 560,441</u>
LIABILITIES				
Accounts, Interest and Contracts Payable	\$ -	\$ 619	\$ -	\$ -
Advance from Other Funds	26,021	-	-	-
Customer Deposits	-	56,353	-	-
Unearned Revenue	-	-	-	-
Total Liabilities	<u>26,021</u>	<u>56,972</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Asset Forfeiture	-	-	-	-
Impact Fees	431,253	-	-	-
Leases	-	141,009	-	-
Total Deferred Inflows of Resources	<u>431,253</u>	<u>141,009</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted	8,678,700	3,885,624	-	-
Committed	-	-	761,099	560,441
Unassigned	-	-	-	-
Total Fund Balances (Deficit)	<u>8,678,700</u>	<u>3,885,624</u>	<u>761,099</u>	<u>560,441</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 9,135,974</u>	<u>\$ 4,083,605</u>	<u>\$ 761,099</u>	<u>\$ 560,441</u>

CITY OF VISALIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS (Continued)
JUNE 30, 2022

	CAPITAL PROJECT FUNDS		
	Animal Control Reserve	Baseball	Total Non-major Governmental Funds
ASSETS			
Cash and Investments	\$ 244,474	\$ 200,000	\$ 92,226,282
Restricted Cash and Investments	-	-	8,685
Accounts Receivable	-	51,727	2,831,024
Lease Receivable	-	-	1,509,233
Taxes Receivable	-	-	3,435,245
Notes and Loans Receivable	-	-	515,138
Inventory	-	-	85,031
Due from Other Governmental Units	-	-	105,557
	<u>\$ 244,474</u>	<u>\$ 251,727</u>	<u>\$ 100,716,195</u>
LIABILITIES			
Accounts, Interest and Contracts Payable	\$ -	\$ 19,989	\$ 1,088,418
Advance from Other Funds	-	-	1,389,252
Customer Deposits	-	-	390,749
Unearned Revenue	-	-	190,698
	<u>-</u>	<u>19,989</u>	<u>3,059,117</u>
DEFERRED INFLOWS OF RESOURCES			
Asset Forfeiture	-	-	460,493
Impact Fees	-	-	2,517,438
Leases	-	-	1,484,624
	<u>-</u>	<u>-</u>	<u>4,462,555</u>
FUND BALANCES			
Restricted	-	-	90,836,023
Committed	244,474	231,738	2,436,321
Unassigned	-	-	(77,821)
	<u>244,474</u>	<u>231,738</u>	<u>93,194,523</u>
Total Fund Balances (Deficit)	<u>244,474</u>	<u>231,738</u>	<u>93,194,523</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 244,474</u>	<u>\$ 251,727</u>	<u>\$ 100,716,195</u>

CITY OF VISALIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2022

	SPECIAL REVENUE FUNDS			
	Waterways	Groundwater Recharge	Kaweah Lake and Local Storm Water Maintenance	Special Service Districts
REVENUES				
Sales Taxes	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-
Subventions and Grants	-	-	-	-
License and Permits	-	-	-	-
Fees and Fines	882,258	1,421,414	349,322	-
Uses of Money and Property	(102,035)	(99,539)	(23,302)	(367,662)
Charges for Current Services	314,302	-	-	5,151,807
Miscellaneous	-	-	-	3,490
Total Revenues	1,094,525	1,321,875	326,020	4,787,635
EXPENDITURES				
Current:				
General Government	-	-	-	-
Community Development	-	-	-	-
Public Safety:				
Fire	-	-	-	-
Police	-	-	-	-
Public Works	341,787	434,251	21,198	-
Community Services	-	-	-	3,020,886
Capital Outlay	187,175	130,722	-	83,852
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	528,962	564,973	21,198	3,104,738
Excess (Deficiency) of Revenues Over (Under) Expenditures	565,563	756,902	304,822	1,682,897
OTHER FINANCING SOURCES (USES)				
Sale of Land	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	(300,000)	-
Total Other Financing Sources (Uses)	-	-	(300,000)	-
Net Changes in Fund Balances	565,563	756,902	4,822	1,682,897
Fund Balances - Beginning of Year (Deficits)	3,328,756	3,229,653	677,764	10,817,346
Prior Period Adjustment	163,368	-	-	-
Fund Balances (Deficits) - Beginning of Year, as Restated	3,492,124	3,229,653	677,764	10,817,346
Fund Balances (Deficits) - End of Year	\$ 4,057,687	\$ 3,986,555	\$ 682,586	\$ 12,500,243

CITY OF VISALIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (Continued)
FOR THE YEAR ENDED JUNE 30, 2022

	SPECIAL REVENUE FUNDS			
	Northeast Area	Grant & Loan Funds	Narcotics Forfeiture	Measure T Police
REVENUES				
Sales Taxes	\$ -	\$ -	\$ -	\$ 5,930,439
Other Taxes	-	-	-	-
Subventions and Grants	-	342,409	-	4,933
License and Permits	-	-	-	-
Fees and Fines	62,203	-	-	-
Uses of Money and Property	(20,077)	(4,147)	-	(147,806)
Charges for Current Services	-	-	-	-
Miscellaneous	-	62	18,467	112,425
Total Revenues	42,126	338,324	18,467	5,899,991
EXPENDITURES				
Current:				
General Government	-	-	-	-
Community Development	-	-	-	-
Public Safety:				
Fire	-	-	-	-
Police	-	277,940	6,597	4,006,265
Public Works	1,441	-	-	-
Community Services	-	-	-	-
Capital Outlay	-	22,158	11,824	-
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	1,441	300,098	18,421	4,006,265
Excess (Deficiency) of Revenues Over (Under) Expenditures	40,685	38,226	46	1,893,726
OTHER FINANCING SOURCES (USES)				
Sale of Land	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	(134)	-	(151,249)
Total Other Financing Sources (Uses)	-	(134)	-	(151,249)
Net Changes in Fund Balances	40,685	38,092	46	1,742,477
Fund Balances - Beginning of Year (Deficits)	666,621	123,114	9,426	5,052,198
Prior Period Adjustment	-	-	-	-
Fund Balances (Deficits) - Beginning of Year, as Restated	666,621	123,114	9,426	5,052,198
Fund Balances (Deficits) - End of Year	\$ 707,306	\$ 161,206	\$ 9,472	\$ 6,794,675

CITY OF VISALIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (Continued)
FOR THE YEAR ENDED JUNE 30, 2022

	SPECIAL REVENUE FUNDS			
	Measure T Fire	Measure R Local	Measure R Regional	Transportation Grants
REVENUES				
Sales Taxes	\$ 3,953,626	\$ 4,036,734	\$ 1,460,731	\$ -
Other Taxes	-	-	-	-
Subventions and Grants	3,421	-	-	1,471,650
License and Permits	-	-	-	-
Fees and Fines	-	-	-	-
Uses of Money and Property	(170,040)	(242,093)	-	(100,706)
Charges for Current Services	100,685	-	-	-
Miscellaneous	46,155	3	8	2,193
Total Revenues	<u>3,933,847</u>	<u>3,794,644</u>	<u>1,460,739</u>	<u>1,373,137</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Community Development	-	-	-	-
Public Safety:				
Fire	2,928,345	-	-	-
Police	-	-	-	-
Public Works	-	34,712	7,878	669
Community Services	-	-	-	-
Capital Outlay	543	500,663	2,223,388	2,191,014
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>2,928,888</u>	<u>535,375</u>	<u>2,231,266</u>	<u>2,191,683</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,004,959</u>	<u>3,259,269</u>	<u>(770,527)</u>	<u>(818,546)</u>
OTHER FINANCING SOURCES (USES)				
Sale of Land	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	1,004,959	3,259,269	(770,527)	(818,546)
Fund Balances - Beginning of Year (Deficits)	<u>5,889,770</u>	<u>7,036,699</u>	<u>724,855</u>	<u>4,629,945</u>
Prior Period Adjustment	-	4,774	(4,774)	-
Fund Balances (Deficits) - Beginning of Year, as Restated	<u>5,889,770</u>	<u>7,041,473</u>	<u>720,081</u>	<u>4,629,945</u>
Fund Balances (Deficits) - End of Year	<u>\$ 6,894,729</u>	<u>\$ 10,300,742</u>	<u>\$ (50,446)</u>	<u>\$ 3,811,399</u>

**CITY OF VISALIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (Continued)
FOR THE YEAR ENDED JUNE 30, 2022**

	SPECIAL REVENUE FUNDS			
	Golf Course	CASP Program	Oak Tree Preservation	Conservation
REVENUES				
Sales Taxes	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	77,171	-	-
Subventions and Grants	-	-	-	-
License and Permits	-	-	-	-
Fees and Fines	260,355	-	10,715	-
Uses of Money and Property	12,260	(11,367)	(8,332)	(7,349)
Charges for Current Services	-	-	-	-
Miscellaneous	-	6	-	-
Total Revenues	<u>272,615</u>	<u>65,810</u>	<u>2,383</u>	<u>(7,349)</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Community Development	-	1,507	-	-
Public Safety:				
Fire	-	-	-	-
Police	-	-	-	-
Public Works	-	-	-	-
Community Services	59,480	-	7,306	48
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>59,480</u>	<u>1,507</u>	<u>7,306</u>	<u>48</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>213,135</u>	<u>64,303</u>	<u>(4,923)</u>	<u>(7,397)</u>
OTHER FINANCING SOURCES (USES)				
Sale of Land	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	213,135	64,303	(4,923)	(7,397)
Fund Balances - Beginning of Year (Deficits)	<u>80,901</u>	<u>353,014</u>	<u>278,256</u>	<u>248,535</u>
Prior Period Adjustment	-	-	-	-
Fund Balances (Deficits) - Beginning of Year, as Restated	<u>80,901</u>	<u>353,014</u>	<u>278,256</u>	<u>248,535</u>
Fund Balances (Deficits) - End of Year	<u>\$ 294,036</u>	<u>\$ 417,317</u>	<u>\$ 273,333</u>	<u>\$ 241,138</u>

**CITY OF VISALIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (Continued)
FOR THE YEAR ENDED JUNE 30, 2022**

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS
	Police Unclaimed Funds	VPFA 2014 Refunding Certificates of Participation	2015 Certificates of Participation
			Softball Facility Development
REVENUES			
Sales Taxes	\$ -	\$ -	\$ -
Other Taxes	-	-	-
Subventions and Grants	-	-	-
License and Permits	-	-	-
Fees and Fines	-	-	-
Uses of Money and Property	(6,973)	-	23
Charges for Current Services	-	-	-
Miscellaneous	67,217	-	-
Total Revenues	60,244	-	23
EXPENDITURES			
Current:			
General Government	-	-	1,208
Community Development	-	-	-
Public Safety:			
Fire	-	-	-
Police	748	-	-
Public Works	-	-	-
Community Services	-	-	2
Capital Outlay	2,551	-	-
Debt Service:			
Principal	-	102,400	824,198
Interest and Fiscal Charges	-	24,752	328,179
Total Expenditures	3,299	127,152	1,153,585
Excess (Deficiency) of Revenues Over (Under) Expenditures	56,945	(127,152)	(1,153,562)
OTHER FINANCING SOURCES (USES)			
Sale of Land	-	-	-
Transfers In	-	127,488	1,156,955
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	127,488	1,156,955
Net Changes in Fund Balances	56,945	336	3,393
Fund Balances - Beginning of Year (Deficits)	67,153	(2,224)	(20,195)
Prior Period Adjustment	-	-	-
Fund Balances (Deficits) - Beginning of Year, as Restated	67,153	(2,224)	(20,195)
Fund Balances (Deficits) - End of Year	\$ 124,098	\$ (1,888)	\$ (16,802)

CITY OF VISALIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (Continued)
FOR THE YEAR ENDED JUNE 30, 2022

	CAPITAL PROJECTS FUNDS			
	Highway Users	Recreational Facilities	Storm Sewer Construction	Public Safety Impact Fee
REVENUES				
Sales Taxes	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-
Subventions and Grants	6,069,060	-	-	-
License and Permits	-	-	-	-
Fees and Fines	-	2,708,970	1,766,433	1,079,745
Uses of Money and Property	154,349	(223,985)	(114,428)	(16,435)
Charges for Current Services	-	-	-	-
Miscellaneous	48	-	-	-
Total Revenues	6,223,457	2,484,985	1,652,005	1,063,310
EXPENDITURES				
Current:				
General Government	-	-	-	-
Community Development	-	-	-	-
Public Safety:				
Fire	-	-	-	2,923
Police	-	-	-	802
Public Works	691,428	-	33,210	-
Community Services	-	23,125	-	-
Capital Outlay	2,568,491	147,560	493,769	60,563
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	3,259,919	170,685	526,979	64,288
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,963,538	2,314,300	1,125,026	999,022
OTHER FINANCING SOURCES (USES)				
Sale of Land	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	(414,541)
Total Other Financing Sources (Uses)	-	-	-	(414,541)
Net Changes in Fund Balances	2,963,538	2,314,300	1,125,026	584,481
Fund Balances - Beginning of Year (Deficits)	10,374,688	6,570,234	3,353,043	287,123
Prior Period Adjustment	-	-	4,892	66,637
Fund Balances (Deficits) - Beginning of Year, as Restated	10,374,688	6,570,234	3,357,935	353,760
Fund Balances (Deficits) - End of Year	<u>\$ 13,338,226</u>	<u>\$ 8,884,534</u>	<u>\$ 4,482,961</u>	<u>\$ 938,241</u>

CITY OF VISALIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (Continued)
FOR THE YEAR ENDED JUNE 30, 2022

	CAPITAL PROJECTS FUNDS			
	Government Facilities Impact Fee	Parking District	Facility Improvements	Sports Complex
REVENUES				
Sales Taxes	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-
Subventions and Grants	-	34,434	-	-
License and Permits	-	11,100	-	-
Fees and Fines	1,027,188	-	-	-
Uses of Money and Property	(245,157)	(106,187)	(23,195)	(17,080)
Charges for Current Services	-	-	-	-
Miscellaneous	-	8	-	-
Total Revenues	782,031	(60,645)	(23,195)	(17,080)
EXPENDITURES				
Current:				
General Government	13,555	-	155	114
Community Development	-	8,478	-	-
Public Safety:				
Fire	-	-	-	-
Police	-	-	-	-
Public Works	2,350	-	-	-
Community Services	-	-	-	-
Capital Outlay	-	5,632	-	28
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	15,905	14,110	155	142
Excess (Deficiency) of Revenues Over (Under) Expenditures	766,126	(74,755)	(23,350)	(17,222)
OTHER FINANCING SOURCES (USES)				
Sale of Land	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Changes in Fund Balances	766,126	(74,755)	(23,350)	(17,222)
Fund Balances - Beginning of Year (Deficits)	7,795,373	3,953,846	784,449	577,663
Prior Period Adjustment	117,201	6,533	-	-
Fund Balances (Deficits) - Beginning of Year, as Restated	7,912,574	3,960,379	784,449	577,663
Fund Balances (Deficits) - End of Year	\$ 8,678,700	\$ 3,885,624	\$ 761,099	\$ 560,441

CITY OF VISALIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (Continued)
FOR THE YEAR ENDED JUNE 30, 2022

	CAPITAL PROJECTS FUNDS		Total Non-major Governmental Funds
	Animal Control Reserve	Baseball	
REVENUES			
Sales Taxes	\$ -	\$ -	\$ 15,381,530
Other Taxes	-	-	77,171
Subventions and Grants	-	-	7,925,907
License and Permits	-	-	11,100
Fees and Fines	-	-	9,568,603
Uses of Money and Property	(7,451)	(5,568)	(1,904,315)
Charges for Current Services	-	-	5,566,794
Miscellaneous	-	51,727	301,809
Total Revenues	(7,451)	46,159	36,928,599
EXPENDITURES			
Current:			
General Government	49	-	15,081
Community Development	-	-	9,985
Public Safety:			
Fire	-	-	2,931,268
Police	-	-	4,292,352
Public Works	-	-	1,568,924
Community Services	-	174,277	3,285,124
Capital Outlay	-	21,874	8,651,807
Debt Service:			
Principal	-	-	926,598
Interest and Fiscal Charges	-	-	352,931
Total Expenditures	49	196,151	22,034,070
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,500)	(149,992)	14,894,529
OTHER FINANCING SOURCES (USES)			
Sale of Land	-	-	-
Transfers In	-	422,735	1,707,178
Transfers Out	-	-	(865,924)
Total Other Financing Sources (Uses)	-	422,735	841,254
Net Changes in Fund Balances	(7,500)	272,743	15,735,783
Fund Balances - Beginning of Year (Deficits)	251,974	(41,005)	77,100,109
Prior Period Adjustment	-	-	358,631
Fund Balances (Deficits) - Beginning of Year, as Restated	251,974	(41,005)	77,458,740
Fund Balances (Deficits) - End of Year	\$ 244,474	\$ 231,738	\$ 93,194,523

CITY OF VISALIA
NON -MAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

	Waterways			Groundwater Recharge		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
REVENUES						
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-	-	-
Subventions and Grants	-	-	-	-	-	-
License and Permits	-	-	-	-	-	-
Fees and Fines	516,100	882,258	366,158	1,084,000	1,421,414	337,414
Uses of Money and Property	4,100	(102,035)	(106,135)	2,500	(99,539)	(102,039)
Charges for Current Services	312,300	314,302	2,002	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Revenues	832,500	1,094,525	262,025	1,086,500	1,321,875	235,375
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Public Safety:						
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public Works	221,100	341,787	(120,687)	135,000	434,251	(299,251)
Community Services	-	-	-	-	-	-
Capital Outlay	937,175	187,175	750,000	875,722	130,722	745,000
Debt Service:						
Principal Repayment	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	1,158,275	528,962	629,313	1,010,722	564,973	445,749
Excess (Deficiency) of Revenues Over (Under) Expenditures	(325,775)	565,563	891,338	75,778	756,902	681,124
OTHER FINANCING SOURCES (USES)						
Sale of Land	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net Changes in Fund Balances	\$ (325,775)	565,563	\$ 891,338	\$ 75,778	756,902	\$ 681,124
Fund Balances - Beginning of Year (Deficits)		<u>3,328,756</u>			<u>3,229,653</u>	
Prior Period Adjustment		<u>163,368</u>			<u>-</u>	
Fund Balances - Beginning of Year, as Restated		<u>3,492,124</u>			<u>3,229,653</u>	
Fund Balances - End of Year (Deficits)		<u>\$ 4,057,687</u>			<u>\$ 3,986,555</u>	

CITY OF VISALIA
NON - MAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (Continued)
FOR THE YEAR ENDED JUNE 30, 2022

	Kaweah Lake and Local Storm Water Maintenance			Special Service Districts		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
REVENUES						
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-	-	-
Subventions and Grants	-	-	-	-	-	-
License and Permits	-	-	-	-	-	-
Fees and Fines	290,000	349,322	59,322	-	-	-
Uses of Money and Property	3,000	(23,302)	(26,302)	3,000	(367,662)	(370,662)
Charges for Current Services	-	-	-	5,258,600	5,151,807	(106,793)
Miscellaneous	-	-	-	-	3,490	3,490
Total Revenues	<u>293,000</u>	<u>326,020</u>	<u>33,020</u>	<u>5,261,600</u>	<u>4,787,635</u>	<u>(473,965)</u>
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Public Safety:						
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public Works	19,800	21,198	(1,398)	-	-	-
Community Services	-	-	-	3,314,800	3,020,886	293,914
Capital Outlay	-	-	-	961,653	83,852	877,801
Debt Service:						
Principal Repayment	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	<u>19,800</u>	<u>21,198</u>	<u>(1,398)</u>	<u>4,276,453</u>	<u>3,104,738</u>	<u>1,171,715</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>273,200</u>	<u>304,822</u>	<u>31,622</u>	<u>985,147</u>	<u>1,682,897</u>	<u>697,750</u>
OTHER FINANCING SOURCES (USES)						
Sale of Land	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-
Transfers Out	(300,000)	(300,000)	-	-	-	-
Total Other Financing Sources (Uses)	<u>(300,000)</u>	<u>(300,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>\$ (26,800)</u>	<u>4,822</u>	<u>\$ 31,622</u>	<u>\$ 985,147</u>	<u>1,682,897</u>	<u>\$ 697,750</u>
Fund Balances - Beginning of Year (Deficits)		<u>677,764</u>			<u>10,817,346</u>	
Prior Period Adjustment		<u>-</u>			<u>-</u>	
Fund Balances - Beginning of Year, as Restated		<u>677,764</u>			<u>10,817,346</u>	
Fund Balances - End of Year (Deficits)		<u>\$ 682,586</u>			<u>\$ 12,500,243</u>	

CITY OF VISALIA
NON -MAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (Continued)
FOR THE YEAR ENDED JUNE 30, 2022

	Northeast Area			Grant & Loan Funds		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
REVENUES						
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-	-	-
Subventions and Grants	-	-	-	342,409	342,409	-
License and Permits	-	-	-	-	-	-
Fees and Fines	84,200	62,203	(21,997)	-	-	-
Uses of Money and Property	3,500	(20,077)	(23,577)	-	(4,147)	(4,147)
Charges for Current Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	62	62
Total Revenues	87,700	42,126	(45,574)	342,409	338,324	(4,085)
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Public Safety:						
Fire	-	-	-	-	-	-
Police	-	-	-	266,200	277,940	(11,740)
Public Works	1,400	1,441	(41)	-	-	-
Community Services	-	-	-	-	-	-
Capital Outlay	-	-	-	26,597	22,158	4,439
Debt Service:						
Principal Repayment	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	1,400	1,441	(41)	292,797	300,098	(7,301)
Excess (Deficiency) of Revenues Over (Under) Expenditures	86,300	40,685	(45,615)	49,612	38,226	(11,386)
OTHER FINANCING SOURCES (USES)						
Sale of Land	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	(134)	(134)
Total Other Financing Sources (Uses)	-	-	-	-	(134)	(134)
Net Changes in Fund Balances	\$ 86,300	40,685	\$ (45,615)	\$ 49,612	38,092	\$ (11,520)
Fund Balances - Beginning of Year (Deficits)		666,621			123,114	
Prior Period Adjustment		-			-	
Fund Balances - Beginning of Year, as Restated		666,621			123,114	
Fund Balances - End of Year (Deficits)		\$ 707,306			\$ 161,206	

CITY OF VISALIA
NON - MAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (Continued)
FOR THE YEAR ENDED JUNE 30, 2022

	Narcotics Forfeiture			Measure T - Police		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
REVENUES						
Sales Taxes	\$ -	\$ -	\$ -	\$ 3,482,600	\$ 5,930,439	\$ 2,447,839
Other Taxes	-	-	-	-	-	-
Subventions and Grants	-	-	-	6,000	4,933	(1,067)
License and Permits	-	-	-	-	-	-
Fees and Fines	-	-	-	-	-	-
Uses of Money and Property	-	-	-	26,000	(147,806)	(173,806)
Charges for Current Services	-	-	-	-	-	-
Miscellaneous	105,000	18,467	(86,533)	33,700	112,425	78,725
Total Revenues	105,000	18,467	(86,533)	3,548,300	5,899,991	2,351,691
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Public Safety:						
Fire	-	-	-	-	-	-
Police	5,000	6,597	(1,597)	4,039,100	4,006,265	32,835
Public Works	-	-	-	-	-	-
Community Services	-	-	-	-	-	-
Capital Outlay	100,000	11,824	88,176	-	-	-
Debt Service:						
Principal Repayment	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	105,000	18,421	86,579	4,039,100	4,006,265	32,835
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	46	46	(490,800)	1,893,726	2,384,526
OTHER FINANCING SOURCES (USES)						
Sale of Land	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	(151,500)	(151,249)	251
Total Other Financing Sources (Uses)	-	-	-	(151,500)	(151,249)	251
Net Changes in Fund Balances	\$ -	46	\$ 46	\$ (642,300)	1,742,477	\$ 2,384,777
Fund Balances - Beginning of Year (Deficits)		9,426			5,052,198	
Prior Period Adjustment		-			-	
Fund Balances - Beginning of Year, as Restated		9,426			5,052,198	
Fund Balances - End of Year (Deficits)		<u>\$ 9,472</u>			<u>\$ 6,794,675</u>	

CITY OF VISALIA
NON - MAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (Continued)
FOR THE YEAR ENDED JUNE 30, 2022

	Measure T - Fire			Measure R - Local		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
REVENUES						
Sales Taxes	\$ 2,321,800	\$ 3,953,626	\$ 1,631,826	\$ 2,731,100	\$ 4,036,734	\$ 1,305,634
Other Taxes	-	-	-	-	-	-
Subventions and Grants	-	3,421	3,421	-	-	-
License and Permits	-	-	-	-	-	-
Fees and Fines	-	-	-	-	-	-
Uses of Money and Property	82,000	(170,040)	(252,040)	30,700	(242,093)	(272,793)
Charges for Current Services	25,000	100,685	75,685	-	-	-
Miscellaneous	73,800	46,155	(27,645)	-	3	3
Total Revenues	2,502,600	3,933,847	1,431,247	2,761,800	3,794,644	1,032,844
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Public Safety:						
Fire	2,996,000	2,928,345	67,655	-	-	-
Police	-	-	-	-	-	-
Public Works	-	-	-	30,200	34,712	(4,512)
Community Services	-	-	-	-	-	-
Capital Outlay	-	543	(543)	2,846,614	500,663	2,345,951
Debt Service:						
Principal Repayment	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	2,996,000	2,928,888	67,112	2,876,814	535,375	2,341,439
Excess (Deficiency) of Revenues Over (Under) Expenditures	(493,400)	1,004,959	1,498,359	(115,014)	3,259,269	3,374,283
OTHER FINANCING SOURCES (USES)						
Sale of Land	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net Changes in Fund Balances	\$ (493,400)	1,004,959	\$ 1,498,359	\$ (115,014)	3,259,269	\$ 3,374,283
Fund Balances - Beginning of Year (Deficits)		<u>5,889,770</u>			<u>7,036,699</u>	
Prior Period Adjustment		<u>-</u>			<u>4,774</u>	
Fund Balances - Beginning of Year, as Restated		<u>5,889,770</u>			<u>7,041,473</u>	
Fund Balances - End of Year (Deficits)		<u>\$ 6,894,729</u>			<u>\$ 10,300,742</u>	

CITY OF VISALIA
NON -MAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (Continued)
FOR THE YEAR ENDED JUNE 30, 2022

	Measure R - Regional			Transportation Grants		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
REVENUES						
Sales Taxes	\$ 2,193,000	\$ 1,460,731	\$ (732,269)	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-	-	-
Subventions and Grants	-	-	-	5,025,800	1,471,650	(3,554,150)
License and Permits	-	-	-	-	-	-
Fees and Fines	-	-	-	-	-	-
Uses of Money and Property	-	-	-	-	(100,706)	(100,706)
Charges for Current Services	-	-	-	-	-	-
Miscellaneous	-	8	8	-	2,193	2,193
Total Revenues	2,193,000	1,460,739	(732,261)	5,025,800	1,373,137	(3,652,663)
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Public Safety:						
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public Works	-	7,878	(7,878)	-	669	(669)
Community Services	-	-	-	-	-	-
Capital Outlay	9,722,578	2,223,388	7,499,190	6,250,400	2,191,014	4,059,386
Debt Service:						
Principal Repayment	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	9,722,578	2,231,266	7,491,312	6,250,400	2,191,683	4,058,717
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,529,578)	(770,527)	6,759,051	(1,224,600)	(818,546)	406,054
OTHER FINANCING SOURCES (USES)						
Sale of Land	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net Changes in Fund Balances	\$ (7,529,578)	(770,527)	\$ 6,759,051	\$ (1,224,600)	(818,546)	\$ 406,054
Fund Balances - Beginning of Year (Deficits)		724,855			4,629,945	
Prior Period Adjustment		(4,774)			-	
Fund Balances - Beginning of Year, as Restated		720,081			4,629,945	
Fund Balances - End of Year (Deficits)		<u>\$ (50,446)</u>			<u>\$ 3,811,399</u>	

CITY OF VISALIA
NON - MAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (Continued)
FOR THE YEAR ENDED JUNE 30, 2022

	Golf Course			CASP Program		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
REVENUES						
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	83,000	77,171	(5,829)
Subventions and Grants	-	-	-	-	-	-
License and Permits	-	-	-	-	-	-
Fees and Fines	90,000	260,355	170,355	-	-	-
Uses of Money and Property	1,300	12,260	10,960	4,100	(11,367)	(15,467)
Charges for Current Services	-	-	-	-	-	-
Miscellaneous	-	-	-	200	6	(194)
Total Revenues	91,300	272,615	181,315	87,300	65,810	(21,490)
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Community Development	-	-	-	21,300	1,507	19,793
Public Safety:						
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Community Services	51,200	59,480	(8,280)	-	-	-
Capital Outlay	-	-	-	-	-	-
Debt Service:						
Principal Repayment	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	51,200	59,480	(8,280)	21,300	1,507	19,793
Excess (Deficiency) of Revenues Over (Under) Expenditures	40,100	213,135	173,035	66,000	64,303	(1,697)
OTHER FINANCING SOURCES (USES)						
Sale of Land	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net Changes in Fund Balances	\$ 40,100	213,135	\$ 173,035	\$ 66,000	64,303	\$ (1,697)
Fund Balances - Beginning of Year (Deficits)		80,901			353,014	
Prior Period Adjustment		-			-	
Fund Balances - Beginning of Year, as Restated		80,901			353,014	
Fund Balances - End of Year (Deficits)		<u>\$ 294,036</u>			<u>\$ 417,317</u>	

CITY OF VISALIA
NON - MAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (Continued)
FOR THE YEAR ENDED JUNE 30, 2022

	Oak Tree Preservation			Conservation		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
REVENUES						
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-	-	-
Subventions and Grants	-	-	-	-	-	-
License and Permits	-	-	-	-	-	-
Fees and Fines	-	10,715	10,715	-	-	-
Uses of Money and Property	-	(8,332)	(8,332)	-	(7,349)	(7,349)
Charges for Current Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Revenues	-	2,383	2,383	-	(7,349)	(7,349)
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Public Safety:						
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Community Services	-	7,306	(7,306)	-	48	(48)
Capital Outlay	-	-	-	-	-	-
Debt Service:						
Principal Repayment	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	-	7,306	(7,306)	-	48	(48)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(4,923)	(4,923)	-	(7,397)	(7,397)
OTHER FINANCING SOURCES (USES)						
Sale of Land	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net Changes in Fund Balances	\$ -	(4,923)	\$ (4,923)	\$ -	(7,397)	\$ (7,397)
Fund Balances - Beginning of Year (Deficits)		<u>278,256</u>			<u>248,535</u>	
Prior Period Adjustment		<u>-</u>			<u>-</u>	
Fund Balances - Beginning of Year, as Restated		<u>278,256</u>			<u>248,535</u>	
Fund Balances - End of Year (Deficits)		<u>\$ 273,333</u>			<u>\$ 241,138</u>	

CITY OF VISALIA
NON - MAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (Continued)
FOR THE YEAR ENDED JUNE 30, 2022

	Police Unclaimed Funds			VPFA 2014 Refunding Certificates of Participation		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
REVENUES						
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-	-	-
Subventions and Grants	-	-	-	-	-	-
License and Permits	-	-	-	-	-	-
Fees and Fines	-	-	-	-	-	-
Uses of Money and Property	-	(6,973)	(6,973)	-	-	-
Charges for Current Services	-	-	-	-	-	-
Miscellaneous	9,000	67,217	58,217	-	-	-
Total Revenues	9,000	60,244	51,244	-	-	-
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Public Safety:						
Fire	-	-	-	-	-	-
Police	-	748	(748)	-	-	-
Public Works	-	-	-	-	-	-
Community Services	-	-	-	-	-	-
Capital Outlay	6,551	2,551	4,000	-	-	-
Debt Service:						
Principal Repayment	-	-	-	104,200	102,400	1,800
Interest and Fiscal Charges	-	-	-	25,088	24,752	336
Total Expenditures	6,551	3,299	3,252	129,288	127,152	2,136
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,449	56,945	54,496	(129,288)	(127,152)	2,136
OTHER FINANCING SOURCES (USES)						
Sale of Land	-	-	-	-	-	-
Transfers In	-	-	-	127,500	127,488	(12)
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	127,500	127,488	(12)
Net Changes in Fund Balances	\$ 2,449	56,945	\$ 54,496	\$ (1,788)	336	\$ 2,124
Fund Balances - Beginning of Year (Deficits)		67,153			(2,224)	
Prior Period Adjustment		-			-	
Fund Balances - Beginning of Year, as Restated		67,153			(2,224)	
Fund Balances - End of Year (Deficits)		\$ 124,098			\$ (1,888)	

CITY OF VISALIA
NON - MAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (Continued)
FOR THE YEAR ENDED JUNE 30, 2022

	2015 Certificates of Participation			Softball Facility Development		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
REVENUES						
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-	-	-
Subventions and Grants	-	-	-	-	-	-
License and Permits	-	-	-	-	-	-
Fees and Fines	-	-	-	-	-	-
Uses of Money and Property	-	23	23	-	(33)	(33)
Charges for Current Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Revenues	-	23	23	-	(33)	(33)
EXPENDITURES						
Current:						
General Government	-	1,208	(1,208)	-	-	-
Community Development	-	-	-	-	-	-
Public Safety:						
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Community Services	-	-	-	2	-	(2)
Capital Outlay	-	-	-	100	-	100
Debt Service:						
Principal Repayment	824,198	824,198	-	-	-	-
Interest and Fiscal Charges	331,556	328,179	3,377	-	-	-
Total Expenditures	1,155,754	1,153,585	2,169	100	2	98
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,155,754)	(1,153,562)	2,192	(100)	(35)	65
OTHER FINANCING SOURCES (USES)						
Sale of Land	-	-	-	-	-	-
Transfers In	1,156,400	1,156,955	555	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	1,156,400	1,156,955	555	-	-	-
Net Changes in Fund Balances	\$ 646	3,393	\$ 2,747	\$ (100)	(35)	\$ 65
Fund Balances - Beginning of Year (Deficits)	-	(20,195)	-	-	1,134	-
Prior Period Adjustment	-	-	-	-	-	-
Fund Balances - Beginning of Year, as Restated	-	(20,195)	-	-	1,134	-
Fund Balances - End of Year (Deficits)	-	\$ (16,802)	-	-	\$ 1,099	-

CITY OF VISALIA
NON - MAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (Continued)
FOR THE YEAR ENDED JUNE 30, 2022

	Highway Users			Recreational Facilities		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
REVENUES						
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-	-	-
Subventions and Grants	7,651,100	6,069,060	(1,582,040)	-	-	-
License and Permits	-	-	-	-	-	-
Fees and Fines	-	-	-	2,295,600	2,708,970	413,370
Uses of Money and Property	29,600	154,349	124,749	24,900	(223,985)	(248,885)
Charges for Current Services	-	-	-	-	-	-
Miscellaneous	-	48	48	-	-	-
Total Revenues	7,680,700	6,223,457	(1,457,243)	2,320,500	2,484,985	164,485
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Public Safety:						
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public Works	766,800	691,428	75,372	-	-	-
Community Services	-	-	-	30,100	23,125	6,975
Capital Outlay	5,355,004	2,568,491	2,786,513	3,109,696	147,560	2,962,136
Debt Service:						
Principal Repayment	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	6,121,804	3,259,919	2,861,885	3,139,796	170,685	2,969,111
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,558,896	2,963,538	1,404,642	(819,296)	2,314,300	3,133,596
OTHER FINANCING SOURCES (USES)						
Sale of Land	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net Changes in Fund Balances	\$ 1,558,896	2,963,538	\$ 1,404,642	\$ (819,296)	2,314,300	\$ 3,133,596
Fund Balances - Beginning of Year (Deficits)		10,374,688			6,570,234	
Prior Period Adjustment		-			-	
Fund Balances - Beginning of Year, as Restated		10,374,688			6,570,234	
Fund Balances - End of Year (Deficits)		\$ 13,338,226			\$ 8,884,534	

CITY OF VISALIA
NON -MAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (Continued)
FOR THE YEAR ENDED JUNE 30, 2022

	Storm Sewer Construction			Public Safety Impact Fee		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
REVENUES						
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-	-	-
Subventions and Grants	-	-	-	-	-	-
License and Permits	-	-	-	-	-	-
Fees and Fines	953,000	1,766,433	813,433	647,100	1,079,745	432,645
Uses of Money and Property	-	(114,428)	(114,428)	-	(16,435)	(16,435)
Charges for Current Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Revenues	953,000	1,652,005	699,005	647,100	1,063,310	416,210
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Public Safety:						
Fire	-	-	-	2,100	2,923	(823)
Police	-	-	-	500	802	(302)
Public Works	40,800	33,210	7,590	-	-	-
Community Services	-	-	-	-	-	-
Capital Outlay	495,526	493,769	1,757	60,563	60,563	-
Debt Service:						
Principal Repayment	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	536,326	526,979	9,347	63,163	64,288	(1,125)
Excess (Deficiency) of Revenues Over (Under) Expenditures	416,674	1,125,026	708,352	583,937	999,022	415,085
OTHER FINANCING SOURCES (USES)						
Sale of Land	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	(419,900)	(414,541)	5,359
Total Other Financing Sources (Uses)	-	-	-	(419,900)	(414,541)	5,359
Net Changes in Fund Balances	\$ 416,674	1,125,026	\$ 708,352	\$ 164,037	584,481	\$ 420,444
Fund Balances - Beginning of Year (Deficits)		3,353,043			287,123	
Prior Period Adjustment		4,892			66,637	
Fund Balances - Beginning of Year, as Restated		3,357,935			353,760	
Fund Balances - End of Year (Deficits)		<u>\$ 4,482,961</u>			<u>\$ 938,241</u>	

CITY OF VISALIA
NON - MAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (Continued)
FOR THE YEAR ENDED JUNE 30, 2022

	Government Facilities Impact Fee			Parking District		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
REVENUES						
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-	-	-
Subventions and Grants	-	-	-	34,700	34,434	(266)
License and Permits	-	-	-	20,700	11,100	(9,600)
Fees and Fines	408,900	1,027,188	618,288	-	-	-
Uses of Money and Property	3,600	(245,157)	(248,757)	51,200	(106,187)	(157,387)
Charges for Current Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	8	8
Total Revenues	412,500	782,031	369,531	106,600	(60,645)	(167,245)
EXPENDITURES						
Current:						
General Government	18,300	13,555	4,745	-	-	-
Community Development	-	-	-	11,300	8,478	2,822
Public Safety:						
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public Works	1,600	2,350	(750)	-	-	-
Community Services	-	-	-	-	-	-
Capital Outlay	-	-	-	5,632	5,632	-
Debt Service:						
Principal Repayment	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	19,900	15,905	3,995	16,932	14,110	2,822
Excess (Deficiency) of Revenues Over (Under) Expenditures	392,600	766,126	373,526	89,668	(74,755)	(164,423)
OTHER FINANCING SOURCES (USES)						
Sale of Land	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net Changes in Fund Balances	\$ 392,600	766,126	\$ 373,526	\$ 89,668	(74,755)	\$ (164,423)
Fund Balances - Beginning of Year (Deficits)		<u>7,795,373</u>			<u>3,953,846</u>	
Prior Period Adjustment		<u>117,201</u>			<u>6,533</u>	
Fund Balances - Beginning of Year, as Restated		<u>7,912,574</u>			<u>3,960,379</u>	
Fund Balances - End of Year (Deficits)		<u>\$ 8,678,700</u>			<u>\$ 3,885,624</u>	

CITY OF VISALIA
NON - MAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (Continued)
FOR THE YEAR ENDED JUNE 30, 2022

	Facility Improvements			Sports Complex		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
REVENUES						
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-	-	-
Subventions and Grants	-	-	-	-	-	-
License and Permits	-	-	-	-	-	-
Fees and Fines	-	-	-	-	-	-
Uses of Money and Property	-	(23,195)	(23,195)	-	(17,080)	(17,080)
Charges for Current Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Revenues	-	(23,195)	(23,195)	-	(17,080)	(17,080)
EXPENDITURES						
Current:						
General Government	-	155	(155)	-	114	(114)
Community Development	-	-	-	-	-	-
Public Safety:						
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Community Services	-	-	-	-	-	-
Capital Outlay	-	-	-	28	28	-
Debt Service:						
Principal Repayment	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	-	155	(155)	28	142	(114)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(23,350)	(23,350)	(28)	(17,222)	(17,194)
OTHER FINANCING SOURCES (USES)						
Sale of Land	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net Changes in Fund Balances	\$ -	(23,350)	\$ (23,350)	\$ (28)	(17,222)	\$ (17,194)
Fund Balances - Beginning of Year (Deficits)		<u>784,449</u>			<u>577,663</u>	
Prior Period Adjustment		<u>-</u>			<u>-</u>	
Fund Balances - Beginning of Year, as Restated		<u>784,449</u>			<u>577,663</u>	
Fund Balances - End of Year (Deficits)		<u>\$ 761,099</u>			<u>\$ 560,441</u>	

CITY OF VISALIA
NON - MAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (Continued)
FOR THE YEAR ENDED JUNE 30, 2022

	Animal Control Reserve			Baseball		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
REVENUES						
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-	-	-
Subventions and Grants	-	-	-	-	-	-
License and Permits	-	-	-	-	-	-
Fees and Fines	-	-	-	-	-	-
Uses of Money and Property	-	(7,451)	(7,451)	-	(5,568)	(5,568)
Charges for Current Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	51,727	51,727
Total Revenues	-	(7,451)	(7,451)	-	46,159	46,159
EXPENDITURES						
Current:						
General Government	-	49	(49)	-	-	-
Community Development	-	-	-	-	-	-
Public Safety:						
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Community Services	-	-	-	-	174,277	(174,277)
Capital Outlay	-	-	-	-	21,874	(21,874)
Debt Service:						
Principal Repayment	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	-	49	(49)	-	196,151	(196,151)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(7,500)	(7,500)	-	(149,992)	(149,992)
OTHER FINANCING SOURCES (USES)						
Sale of Land	-	-	-	-	-	-
Transfers In	-	-	-	300,000	422,735	122,735
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	300,000	422,735	122,735
Net Changes in Fund Balances	\$ -	(7,500)	\$ (7,500)	\$ 300,000	272,743	\$ (27,257)
Fund Balances - Beginning of Year (Deficits)		<u>251,974</u>			<u>(41,005)</u>	
Prior Period Adjustment		<u>-</u>			<u>-</u>	
Fund Balances - Beginning of Year, as Restated		<u>251,974</u>			<u>(41,005)</u>	
Fund Balances - End of Year (Deficits)		<u>\$ 244,474</u>			<u>\$ 231,738</u>	

CITY OF VISALIA
NON -MAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (Continued)
FOR THE YEAR ENDED JUNE 30, 2022

	Total		
	Final Budget	Actual	Variance With Final Budget
REVENUES			
Sales Taxes	\$ 10,728,500	\$ 15,381,530	\$ 4,653,030
Other Taxes	83,000	77,171	(5,829)
Subventions and Grants	13,060,009	7,925,907	(5,134,102)
License and Permits	20,700	11,100	(9,600)
Fees and Fines	6,368,900	9,568,603	3,199,703
Uses of Money and Property	269,500	(1,904,315)	(2,173,815)
Charges for Current Services	5,595,900	5,566,794	(29,106)
Miscellaneous	221,700	301,809	80,109
Total Revenues	36,348,209	36,928,599	580,390
EXPENDITURES			
Current:			
General Government	18,300	15,081	3,219
Community Development	32,600	9,985	22,615
Public Safety:			
Fire	2,998,100	2,931,268	66,832
Police	4,310,800	4,292,352	18,448
Public Works	1,216,700	1,568,924	(352,224)
Community Services	3,396,100	3,285,124	110,976
Capital Outlay	30,753,839	8,651,807	22,102,032
Debt Service:			
Principal Repayment	928,398	926,598	1,800
Interest and Fiscal Charges	356,644	352,931	3,713
Total Expenditures	44,011,481	22,034,070	21,977,411
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (7,663,272)	\$ 14,894,529	\$ 22,557,801
OTHER FINANCING SOURCES (USES)			
Sale of Land	-	-	-
Transfers In	1,583,900	1,707,178	123,278
Transfers Out	(871,400)	(865,924)	5,476
Total Other Financing Sources (Uses)	712,500	841,254	128,754
Net Changes in Fund Balances	\$ (6,950,772)	15,735,783	\$ 22,686,555
Fund Balances - Beginning of Year (Deficits)		<u>77,100,109</u>	
Prior Period Adjustment		<u>358,631</u>	
Fund Balances - Beginning of Year, as Restated		<u>77,458,740</u>	
Fund Balances - End of Year (Deficits)		<u>\$ 93,194,523</u>	



INTERNAL SERVICE FUNDS



INTERNAL SERVICE FUNDS

Internal Service Funds are used to finance and account for activities and services performed by a designated department for other departments in the City on a cost reimbursement basis.

The concept of major funds introduced by GASB Statement No. 34 does not extend to internal service funds because they do not do business with outside parties. GASB Statement No. 34 requires that for the Statement of Activities, the net revenue or expenses of each internal service fund be eliminated by netting them against the operations of the other City departments which generated them. The remaining balance sheet items are consolidated with these same funds in the Statement of Net Position.

However, internal service funds are still presented separately in the Fund financial statements, which includes the funds listed below.

FLEET SERVICES

Established to account for the maintenance and fueling of vehicles and related equipment in use by the City.

VEHICLE REPLACEMENT

Established to account for the acquisition of City vehicles. Replacement vehicles are purchased through this fund. New vehicles added to this fleet (not replacing an existing one) are considered Contributed Capital to the Vehicle Replacement fund.

INFORMATION SERVICES

Established to account for the acquisition, maintenance and upgrade of the City's computer operations.

RISK MANAGEMENT

Established to account for the self-insured and purchased insurance for the City's various types of insurance including liability, workers' compensation, unemployment, property, and employee bonds.

HEALTH BENEFITS

Established to account for the self-insured and purchased insurance for the City's various types of employee health insurance.

COMPENSATED ABSENCES

Established to account for the long-term portion of the compensated absences liability in the governmental funds.

BUILDING MAINTENANCE

Established to account for the repairs and maintenance for the City's owned/occupied buildings.

CITY OF VISALIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2022

	Fleet Services	Vehicle Replacement	Information Services	Risk Management
ASSETS				
Current Assets				
Cash and Investments	\$ 406,688	\$ 8,057,062	\$ 5,420,106	\$ 17,671,905
Restricted Cash and Investments	-	-	-	316,554
Accounts and Interest Receivables	2,050	-	-	-
Supplies	1,206,582	-	-	-
Prepaid Expenses	-	-	-	-
Capital Assets:				
Building	654,910	-	-	-
Improvements Other Than Buildings	211,545	-	7,240	-
Machinery, Equipment and Vehicles	443,004	22,759,094	13,457,619	-
Construction in Progress	1,512	-	-	-
Accumulated Depreciation	(1,136,530)	(13,584,362)	(8,733,479)	-
Total Assets	<u>1,789,761</u>	<u>17,231,794</u>	<u>10,151,486</u>	<u>17,988,459</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related (Note 10)	<u>298,721</u>	<u>-</u>	<u>358,960</u>	<u>137,603</u>
Total Deferred Outflows of Resources	<u>298,721</u>	<u>-</u>	<u>358,960</u>	<u>137,603</u>
LIABILITIES				
Current Liabilities				
Accounts, Interest, and Contracts Payable	332,460	74,087	19,725	6,075
Accrued Personnel Costs	-	-	-	-
Current Portion of Long-Term Liabilities (Note 7):				
Compensated Absences	-	-	-	-
Liability for Self-Insurance Claims	-	-	-	762,236
Total Current Liabilities	<u>332,460</u>	<u>74,087</u>	<u>19,725</u>	<u>768,311</u>
Non-Current Liabilities				
Non-current Portion of Long-term Liabilities (Note 7):				
Compensated Absences	-	-	-	-
Liability for Self-Insurance Claims	-	-	-	7,162,970
Net Pension Liability (Note 10)	1,661,722	-	1,996,818	765,458
Total Non-Current Liabilities	<u>1,661,722</u>	<u>-</u>	<u>1,996,818</u>	<u>7,928,428</u>
Total Liabilities	<u>1,994,182</u>	<u>74,087</u>	<u>2,016,543</u>	<u>8,696,739</u>
DEFERRED INFLOWS OF RESOURCES				
Pension Related (Note 10)	<u>709,873</u>	<u>-</u>	<u>853,023</u>	<u>326,997</u>
Total Deferred Inflows of Resources	<u>709,873</u>	<u>-</u>	<u>853,023</u>	<u>326,997</u>
NET POSITION				
Net Investment in Capital Assets	174,441	9,174,732	4,731,380	-
Restricted	-	89,218	56,401	-
Unrestricted	(790,014)	7,893,757	2,853,099	9,102,326
Total Net Position	<u>\$ (615,573)</u>	<u>\$ 17,157,707</u>	<u>\$ 7,640,880</u>	<u>\$ 9,102,326</u>

CITY OF VISALIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION (Continued)
JUNE 30, 2022

	Health Benefits	Compensated Absences	Building Maintenance	Totals
ASSETS				
Current Assets				
Cash and Investments	\$ 3,963,539	\$ 5,847,772	\$ 721,664	\$ 42,088,736
Restricted Cash and Investments	71,910	-	-	388,464
Accounts and Interest Receivables	9,268	-	-	11,318
Supplies	-	-	-	1,206,582
Prepaid Expenses	908,824	-	-	908,824
Capital Assets:				
Building	-	-	-	654,910
Improvements Other Than Buildings	-	-	-	218,785
Machinery, Equipment and Vehicles	-	-	-	36,659,717
Construction in Progress	-	-	-	1,512
Accumulated Depreciation	-	-	-	(23,454,371)
Total Assets	4,953,541	5,847,772	721,664	58,684,477
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related (Note 10)	-	-	-	795,284
Total Deferred Outflows of Resources	-	-	-	795,284
LIABILITIES				
Current Liabilities				
Accounts, Interest, and Contracts Payable	52,250	-	-	484,597
Accrued Personnel Costs	2,275	-	-	2,275
Current Portion of Long-Term Liabilities (Note 7):				
Compensated Absences	-	1,214,672	-	1,214,672
Liability for Self-Insurance Claims	97,000	-	-	859,236
Total Current Liabilities	151,525	1,214,672	-	2,560,780
Non-Current Liabilities				
Non-current Portion of Long-term Liabilities (Note 7):				
Compensated Absences	-	4,806,292	-	4,806,292
Liability for Self-Insurance Claims	-	-	-	7,162,970
Net Pension Liability (Note 10)	-	-	-	4,423,998
Total Non-Current Liabilities	-	4,806,292	-	16,393,260
Total Liabilities	151,525	6,020,964	-	18,954,040
DEFERRED INFLOWS OF RESOURCES				
Pension Related (Note 10)	-	-	-	1,889,893
Total Deferred Inflows of Resources	-	-	-	1,889,893
NET POSITION				
Net Investment in Capital Assets	-	-	-	14,080,553
Restricted	-	-	-	145,619
Unrestricted	4,802,016	(173,192)	721,664	24,409,656
Total Net Position	\$ 4,802,016	\$ (173,192)	\$ 721,664	\$ 38,635,828

CITY OF VISALIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022

	Fleet Services	Vehicle Replacement	Information Services	Risk Management
OPERATING REVENUES				
Service Charges and Fees	\$ 6,528,084	\$ 1,342,023	\$ 2,665,565	\$ 6,001,877
OPERATING EXPENSES				
Salaries, Wages and Employee Benefits	3,455,624	-	3,840,024	1,490,331
Maintenance and Operations	4,776,002	68,155	812,162	127,683
Insurance Premiums and Loss Provisions	-	-	-	4,635,381
Depreciation	16,849	1,342,024	543,686	-
Total Operating Expenses	8,248,475	1,410,179	5,195,872	6,253,395
Operating Income (Loss)	(1,720,391)	(68,156)	(2,530,307)	(251,518)
NONOPERATING REVENUES (EXPENSES)				
Interest Income	-	(230,339)	(137,299)	(344,759)
Other Income	27,949	-	879,073	632,485
Other (Expenses)	-	(37,039)	(357)	-
Total Nonoperating Revenues (Expenses)	27,949	(267,378)	741,417	287,726
Income (Loss) Before Contributions and Transfers	(1,692,442)	(335,534)	(1,788,890)	36,208
CONTRIBUTIONS AND TRANSFERS				
Grants and Contributions	-	892,482	1,380,007	-
Transfers In	-	-	-	5,000,000
Net Contributions and Transfers	-	892,482	1,380,007	5,000,000
CHANGE IN NET POSITION	(1,692,442)	556,948	(408,883)	5,036,208
NET POSITION				
Net Position - Beginning of Year	1,076,869	16,600,759	8,049,763	4,066,118
Net Position - End of Year	\$ (615,573)	\$ 17,157,707	\$ 7,640,880	\$ 9,102,326

CITY OF VISALIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION (Continued)
FOR THE YEAR ENDED JUNE 30, 2022

	Health Benefits	Compensated Absences	Building Maintenance	Totals
OPERATING REVENUES				
Service Charges and Fees	\$ 13,717,484	\$ -	\$ -	\$ 30,255,033
OPERATING EXPENSES				
Salaries, Wages and Employee Benefits	-	-	-	8,785,979
Maintenance and Operations	234,346	1,144	145	6,019,637
Insurance Premiums and Loss Provisions	13,134,153	-	-	17,769,534
Depreciation	-	-	-	1,902,559
Total Operating Expenses	13,368,499	1,144	145	34,477,709
Operating Income (Loss)	348,985	(1,144)	(145)	(4,222,676)
NONOPERATING REVENUES (EXPENSES)				
Interest Income	(117,532)	(172,048)	(21,994)	(1,023,971)
Other Income	-	-	-	1,539,507
Other (Expenses)	-	-	-	(37,396)
Total Nonoperating Revenues (Expenses)	(117,532)	(172,048)	(21,994)	478,140
Income (Loss) Before Contributions and Transfers	231,453	(173,192)	(22,139)	(3,744,536)
CONTRIBUTIONS AND TRANSFERS				
Grants and Contributions	-	-	-	2,272,489
Transfers In	-	-	-	5,000,000
Net Contributions and Transfers	-	-	-	7,272,489
CHANGE IN NET POSITION	231,453	(173,192)	(22,139)	3,527,953
NET POSITION				
Net Position - Beginning of Year	4,570,563	-	743,803	35,107,875
Net Position - End of Year	\$ 4,802,016	\$ (173,192)	\$ 721,664	\$ 38,635,828

CITY OF VISALIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Fleet Services	Vehicle Replacement	Information Services	Risk Management
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers or Other Funds	\$ 6,528,040	\$ 1,342,023	\$ 2,665,565	\$ 6,001,877
Cash Payments to Suppliers for Services	(4,800,616)	(81,120)	(2,175,382)	(5,613,596)
Cash Payments to Employees for Services	(1,382,750)	-	(1,349,143)	(535,479)
Other Income	27,949	-	879,073	632,485
Other Payments	-	(37,039)	(357)	-
Net Cash Provided (Used) by Operating Activities	<u>372,623</u>	<u>1,223,864</u>	<u>19,756</u>	<u>485,287</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers In	-	-	-	5,000,000
Net Cash (Used) by Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,000,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital Payments	(1,512)	(1,740,954)	(42,234)	-
Contributions	-	892,482	1,380,007	-
Net Cash (Used) by Capital and Related Financing Activities	<u>(1,512)</u>	<u>(848,472)</u>	<u>1,337,773</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	-	(230,339)	(137,299)	(344,759)
Cash Flows from Investing Activities	<u>-</u>	<u>(230,339)</u>	<u>(137,299)</u>	<u>(344,759)</u>
Net Increase (Decrease) in Cash and Cash Investments	371,111	145,053	1,220,230	5,140,528
Cash and Cash Investments at Beginning of Year	<u>35,577</u>	<u>7,912,009</u>	<u>4,199,876</u>	<u>12,847,931</u>
Cash and Cash Investments at End of Year	<u>\$ 406,688</u>	<u>\$ 8,057,062</u>	<u>\$ 5,420,106</u>	<u>\$ 17,988,459</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	\$ 352,483	\$ (68,156)	\$ (39,426)	\$ 703,334
Other Income	27,949	-	879,073	632,485
Other Expenses	-	(37,039)	(357)	-
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	16,849	1,342,024	543,686	-
Net Change in Assets and Liabilities:				
Accounts and Interest Receivable	(44)	-	-	-
Supplies	(67,816)	-	-	-
Prepaid Expenses	-	-	-	-
Accounts Payable	43,202	(12,965)	(1,363,220)	(45,838)
Accrued Personnel Costs	-	-	-	-
Compensated Absences	-	-	-	-
Liability for Self-Insurance Claims	-	-	-	(804,694)
Net Cash Provided (Used) by Operating Activities	<u>\$ 372,623</u>	<u>\$ 1,223,864</u>	<u>\$ 19,756</u>	<u>\$ 485,287</u>

CITY OF VISALIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2022

	Health Benefits	Compensated Absences	Building Maintenance	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers or Other Funds	\$ 13,715,539	\$ 202,356	\$ -	\$ 30,455,400
Cash Payments to Suppliers for Services	(13,298,608)	(1,144)	(145)	(25,970,611)
Cash Payments to Employees for Services	-	-	-	(3,267,372)
Other Income	-	-	-	1,539,507
Other Payments	-	-	-	(37,396)
Net Cash Provided (Used) by Operating Activities	<u>416,931</u>	<u>201,212</u>	<u>(145)</u>	<u>2,719,528</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers In	-	-	-	5,000,000
Net Cash (Used) by Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,000,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital Payments	-	-	-	(1,784,700)
Contributions	-	-	-	2,272,489
Net Cash (Used) by Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>487,789</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	<u>(117,532)</u>	<u>(172,048)</u>	<u>(21,994)</u>	<u>(1,023,971)</u>
Cash Flows from Investing Activities	<u>(117,532)</u>	<u>(172,048)</u>	<u>(21,994)</u>	<u>(1,023,971)</u>
Net Increase (Decrease) in Cash and Cash Investments	299,399	29,164	(22,139)	7,183,346
Cash and Cash Investments at Beginning of Year	3,736,050	5,818,608	743,803	35,293,854
Cash and Cash Investments at End of Year	<u>\$ 4,035,449</u>	<u>\$ 5,847,772</u>	<u>\$ 721,664</u>	<u>\$ 42,477,200</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	\$ 348,985	\$ (1,144)	\$ (145)	\$ 1,295,931
Other Income	-	-	-	1,539,507
Other Expenses	-	-	-	(37,396)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	-	-	-	1,902,559
Net Change in Assets and Liabilities:				
Accounts and Interest Receivable	(1,945)	-	-	(1,989)
Supplies	-	-	-	(67,816)
Prepaid Expenses	94,472	-	-	94,472
Accounts Payable	8,002	-	-	(1,370,819)
Accrued Personnel Costs	(30,583)	-	-	(30,583)
Compensated Absences	-	202,356	-	202,356
Liability for Self-Insurance Claims	(2,000)	-	-	(806,694)
Net Cash Provided (Used) by Operating Activities	<u>\$ 416,931</u>	<u>\$ 201,212</u>	<u>\$ (145)</u>	<u>\$ 2,719,528</u>



CUSTODIAL FUNDS



CUSTODIAL FUNDS

GASB Statement No. 34 requires that Custodial Funds be presented separately from the government-wide and Fund financial statements.

Custodial funds account for resources held by the City in custodial capacity for individuals, other governmental units and non-public organizations.

Property and Business Improvement District #5 (PBID)

The City collects the district assessments on real property in the district to improve the district. The effective dates for the district are January 1, 2020 through December 31, 2029.

Village West Improvement District (Village West)

The City collects the district assessments on real property in the district to repay bonds for the repair of a private street.

Orchard Walk Underground Utilities District (Orchard Walk)

The City collects the district assessments on real property in the district to pay for underground utilities.

Atwood Water Main Assessment District (Atwood)

The City collects the district assessments on real property in the district to repay bonds issued for the connection to the Cal Water main extension.

Laura Water Main Assessment District (Laura)

The City collects the district assessments on real property in the district to repay bonds issued for the connection to the Cal Water main extension.

Visalia Tourism & Marketing District (VTMD)

The City collects the district assessments on room nights in the district to pay for promotion of travel and tourism specific to Visalia.

CITY OF VISALIA
COMBINING STATEMENTS OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2022

	PBID # 5	Village West	Orchard Walk	Atwood	Laura	VTMD	Total Custodial Funds
ASSETS							
Cash and Investments (Note 3)	\$344,312	\$ -	\$ 73,272	\$ -	\$ -	\$ 68,457	\$486,041
Accounts Receivable	-	-	-	100,204	64,548	-	164,752
District Assesment Receivable	23,992	154	-	-	-	81,868	106,014
Total Assets	368,304	154	73,272	100,204	64,548	150,325	756,807
LIABILITIES							
Accounts, Interest, and Contracts Payable	-	-	-	-	-	72,826	72,826
Deposits	-	-	-	20,000	21,124	-	41,124
Due to City	-	268	-	74,983	38,132	-	113,383
Total Liabilities	-	268	-	94,983	59,256	72,826	227,333
NET POSITION (DEFICIT)							
Restricted for:							
Individuals, Organizations, and Other Governments	\$368,304	\$ (114)	\$ 73,272	\$ 5,221	\$ 5,292	\$ 77,499	529,474

CITY OF VISALIA
COMBINING STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	<u>PBID # 5</u>	<u>Village West</u>	<u>Orchard Walk</u>	<u>Atwood</u>	<u>Laura</u>	<u>VTMD</u>	<u>Total Custodial Funds</u>
Additions							
Use of Money and Property	\$ 171	\$ 17	\$ -	\$ -	\$ -	\$ -	\$ 188
Revenue from District Assessments	611,783	-	-	-	-	832,281	1,444,064
Miscellaneous Revenue	-	5,599	61,366	12,132	7,780	-	86,877
Total Additions	<u>611,954</u>	<u>5,616</u>	<u>61,366</u>	<u>12,132</u>	<u>7,780</u>	<u>832,281</u>	<u>1,531,129</u>
Deductions							
Obligation Requirements							
Interest on Bonds and Notes Payable	-	330	16,366	3,608	2,376	-	22,680
Total Obligation Requirements	<u>-</u>	<u>330</u>	<u>16,366</u>	<u>3,608</u>	<u>2,376</u>	<u>-</u>	<u>22,680</u>
Administrative Expenses							
Administrative Expenses	531	235	228	110	108	8,358	9,570
Total Administrative Expenses	<u>531</u>	<u>235</u>	<u>228</u>	<u>110</u>	<u>108</u>	<u>8,358</u>	<u>9,570</u>
Distribution of District Assessment							
Distribution of District Assessment	490,000	5,234	45,000	8,523	5,404	759,469	1,313,630
Total Distribution of District Assessment	<u>490,000</u>	<u>5,234</u>	<u>45,000</u>	<u>8,523</u>	<u>5,404</u>	<u>759,469</u>	<u>1,313,630</u>
Total Deductions	<u>490,531</u>	<u>5,799</u>	<u>61,594</u>	<u>12,241</u>	<u>7,888</u>	<u>767,827</u>	<u>1,345,880</u>
Change in Net Position	121,423	(183)	(228)	(109)	(108)	64,454	185,249
Net Position - Beginning of Year	<u>246,881</u>	<u>69</u>	<u>73,500</u>	<u>5,330</u>	<u>5,400</u>	<u>13,045</u>	<u>344,225</u>
Net Position (Deficit) - End of Year	<u>\$ 368,304</u>	<u>\$ (114)</u>	<u>\$ 73,272</u>	<u>\$ 5,221</u>	<u>\$ 5,292</u>	<u>\$ 77,499</u>	<u>\$ 529,474</u>



Statistical Section

(Unaudited)



Statistical Section

This part of the City of Visalia’s Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City’s overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the City of Visalia’s financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the City of Visalia’s significant revenue sources, property tax and sales tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City of Visalia’s current levels of outstanding debt and the City of Visalia’s ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City of Visalia’s financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City of Visalia’s financial report relates to the services the City of Visalia provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Report for the relevant year.

CITY OF VISALIA
NET POSITION BY COMPONENT
ACCRUAL BASIS OF ACCOUNTING
LAST TEN FISCAL YEARS
(In Thousands)

	Fiscal Year			
	2013	2014	2015	2016
Governmental Activities:				
Net Investment in Capital Assets	\$ 259,744	\$ 271,964	\$ 284,901	\$ 288,048
Restricted	39,249	45,363	52,401	56,417
Unrestricted	61,930	60,694	(2,230)	12,676
Total Governmental Activities Net Position	<u>\$ 360,923</u>	<u>\$ 378,021</u>	<u>\$ 335,072</u>	<u>\$ 357,141</u>
Business-type Activities:				
Net Investment in Capital Assets	\$ 203,346	\$ 198,310	\$ 212,853	\$ 242,950
Restricted	4,890	121,630	71,139	45,202
Unrestricted	70,743	(27,024)	5,135	24,631
Total Business-type Activities Net Position	<u>\$ 278,979</u>	<u>\$ 292,916</u>	<u>\$ 289,127</u>	<u>\$ 312,783</u>
Primary Government:				
Net Investment in Capital Assets	\$ 463,090	\$ 470,274	\$ 497,754	\$ 530,998
Restricted	44,139	166,993	123,540	101,619
Unrestricted	132,673	33,670	2,905	37,307
Total Primary Government Net Position	<u>\$ 639,902</u>	<u>\$ 670,937</u>	<u>\$ 624,199</u>	<u>\$ 669,924</u>

Fiscal Year						
2017	2018	2019	2020	2021	2022	
\$ 312,172	\$ 325,420	\$ 324,799	\$ 335,920	\$ 341,796	\$ 344,300	
56,984	69,608	79,763	94,930	130,726	159,684	
17,877	22,633	35,203	38,351	45,014	81,583	
<u>\$ 387,033</u>	<u>\$ 417,661</u>	<u>\$ 439,765</u>	<u>\$ 469,201</u>	<u>\$ 517,536</u>	<u>\$ 585,567</u>	
\$ 266,867	\$ 271,696	\$ 269,444	\$ 270,985	\$ 277,874	\$ 276,505	
16,732	12,785	11,368	20,325	12,887	10,995	
63,975	89,290	93,039	104,952	126,266	141,742	
<u>\$ 347,574</u>	<u>\$ 373,771</u>	<u>\$ 373,851</u>	<u>\$ 396,262</u>	<u>\$ 417,027</u>	<u>\$ 429,242</u>	
\$ 579,039	\$ 597,116	\$ 594,243	\$ 606,905	\$ 619,670	\$ 620,805	
73,716	82,393	91,131	115,255	143,613	170,679	
81,852	111,923	128,242	143,303	171,280	223,325	
<u>\$ 734,607</u>	<u>\$ 791,432</u>	<u>\$ 813,616</u>	<u>\$ 865,463</u>	<u>\$ 934,563</u>	<u>\$ 1,014,809</u>	

CITY OF VISALIA
CHANGES IN NET POSITION
ACCRUAL BASIS OF ACCOUNTING
LAST TEN FISCAL YEARS
(In Thousands)

	Fiscal Year			
	2013	2014	2015	2016
Expenses:				
Governmental Activities:				
General Government	\$ 1,396	\$ 4,070	\$ 4,299	\$ 4,262
Community Development	6,133	5,266	5,985	4,768
Housing & Economic Development	608	-	-	-
Housing & Community Grants	-	-	-	-
Public Safety				
Police	30,407	31,714	30,378	31,182
Fire	13,548	14,308	13,858	15,331
Public Works	15,519	11,906	13,596	24,526
Parks & Recreation	6,455	9,000	8,999	799
Community Services	-	-	-	-
Interest on Long-Term Debt	304	191	145	702
Total Governmental Activities Expenses	74,370	76,455	77,260	81,570
Business-type Activities:				
Convention Center	5,404	5,943	5,688	5,822
Airport	2,389	2,505	2,530	2,219
Valley Oaks Golf	2,350	2,574	2,756	2,502
Wastewater and Storm				
Sewer Maintenance	13,004	15,281	16,791	19,836
Solid Waste	15,348	18,589	17,969	16,309
Transit	11,929	13,670	14,702	14,772
Baseball	285	295	332	342
Animal Control	1,103	1,184	1,141	1,881
Building Safety	1,570	1,768	1,969	2,306
Total Business-Type Activities Expenses	53,382	61,809	63,878	65,989
Total Primary Government Expenses	127,752	138,264	141,138	147,559
Program Revenues:				
Governmental Activities:				
Charges for Services:				
General Government	152	265	1,952	653
Community Development	778	1,503	1,633	2,142
Housing & Economic Development	199	-	-	-
Housing & Community Grants	-	-	-	-
Public Safety				
Police	2,135	2,516	2,690	2,804
Fire	667	626	802	1,256
Public Works	7,643	8,773	9,279	10,011
Parks & Recreation	1,875	2,974	3,068	3,468
Community Services	-	-	-	-
Operating Grants and Contributions	3,983	3,184	4,581	3,660
Capital Grants and Contributions	22,621	12,152	8,556	9,625
Total Governmental Activities Program Revenues	\$ 40,053	\$ 31,993	\$ 32,561	\$ 33,619

In 2007 the City created the Housing & Economic Development Department and in 2014 it was absorbed in Community Development.
In 2020 the City separated the Housing & Community Grants from Community Development.
In 2020 the City renamed the Parks & Recreation department to Community Services Department.

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 3,653	\$ 5,778	\$ 4,951	\$ 7,404	\$ 6,883	\$ 2,237
3,570	2,028	6,098	2,477	2,741	(3,942)
-	-	-	-	-	-
-	-	-	1,667	2,751	2,182
34,737	38,720	39,996	44,992	44,431	41,081
16,948	16,881	17,371	19,000	19,745	20,380
19,270	19,579	15,155	20,424	12,224	19,717
3,988	4,820	5,540	-	-	-
-	-	-	12,146	11,271	14,827
561	508	471	450	401	362
<u>82,727</u>	<u>88,314</u>	<u>89,582</u>	<u>108,560</u>	<u>100,447</u>	<u>96,844</u>
5,525	5,517	4,952	4,300	2,360	1,180
1,999	2,017	2,199	2,127	3,119	2,545
2,426	1,571	-	-	-	-
23,845	18,488	21,031	25,263	25,541	28,133
17,422	18,847	24,168	18,963	19,212	21,658
14,726	18,360	20,408	17,837	17,263	19,791
329	354	350	221	243	-
2,490	1,993	1,908	2,003	1,927	1,935
3,103	3,303	3,303	3,490	3,411	3,099
<u>71,865</u>	<u>70,450</u>	<u>78,319</u>	<u>74,204</u>	<u>73,076</u>	<u>78,341</u>
<u>154,592</u>	<u>158,764</u>	<u>167,901</u>	<u>182,764</u>	<u>173,523</u>	<u>175,185</u>
717	794	1,247	896	1,110	1,381
2,122	1,955	1,788	1,283	871	1,206
-	-	-	-	-	-
-	-	-	23	22	22
2,716	2,636	3,055	3,126	2,953	2,818
1,492	1,875	1,678	1,620	1,654	2,142
10,736	11,344	12,286	10,459	11,303	15,791
3,321	3,509	4,140	-	-	-
-	-	-	7,778	7,957	10,395
3,118	2,619	2,648	5,083	6,064	6,269
14,635	9,206	12,022	11,765	12,148	10,618
<u>\$ 38,857</u>	<u>\$ 33,938</u>	<u>\$ 38,864</u>	<u>\$ 42,033</u>	<u>\$ 44,082</u>	<u>\$ 50,642</u>

(Continued)

CITY OF VISALIA
CHANGES IN NET POSITION
ACCRUAL BASIS OF ACCOUNTING
LAST TEN FISCAL YEARS
(In Thousands)

	Fiscal Year			
	2013	2014	2015	2016
Business-Type Activities:				
Charges for Services:				
Convention Center	\$ 3,446	\$ 4,099	\$ 3,617	\$ 3,587
Airport	1,647	1,734	1,708	1,925
Valley Oaks Golf	2,389	2,409	2,401	2,405
Wastewater and Storm				
Sewer Maintenance	21,465	22,365	26,210	26,033
Solid Waste	17,945	19,570	19,222	18,852
Transit	4,051	3,974	4,366	6,004
Baseball	102	8	17	18
Animal Control	104	219	309	430
Building Safety	2,102	2,948	3,274	3,873
Operating Grants and Contributions	6,433	6,588	9,841	4,183
Capital Grants and Contributions	5,370	4,045	2,691	17,291
	<u>65,054</u>	<u>67,959</u>	<u>73,656</u>	<u>84,601</u>
Total Business-Type Activities				
Program Revenues	<u>65,054</u>	<u>67,959</u>	<u>73,656</u>	<u>84,601</u>
Total Primary Government				
Program Revenues	<u>105,107</u>	<u>99,952</u>	<u>106,217</u>	<u>118,220</u>
Net Revenues (Expenses):				
Governmental Activities	(34,317)	(44,462)	(44,699)	(47,951)
Business-Type Activities	11,672	6,150	9,778	18,612
	<u>(22,645)</u>	<u>(38,312)</u>	<u>(34,921)</u>	<u>(29,339)</u>
General Revenues and Other Changes in Net Position:				
Governmental Activities:				
Taxes:				
Sales Taxes	30,342	28,791	32,237	36,145
Property Taxes	23,886	27,306	27,708	26,810
Other Taxes	6,276	6,921	8,306	7,638
Investment Earnings	993	513	1,894	725
Gain from Sale of Capital Assets	-	-	5	7
Miscellaneous	2,892	1,317	1,587	2,563
Transfers and Extraordinary Items	(3,355)	(4,322)	(4,265)	(4,138)
Total Governmental Activities	<u>61,034</u>	<u>60,526</u>	<u>67,472</u>	<u>69,750</u>
Business-Type Activities:				
Investment Earnings	457	454	440	576
Miscellaneous	1,764	3,349	2,622	3,439
Transfers	3,355	4,322	4,265	4,138
Total Business-Type Activities	<u>5,576</u>	<u>8,125</u>	<u>7,327</u>	<u>8,153</u>
Total Primary Government	<u>66,610</u>	<u>68,651</u>	<u>74,799</u>	<u>77,903</u>
Changes in Net Position:				
Governmental Activities	26,717	16,064	22,773	21,799
Business-Type Activities	17,248	14,275	17,105	26,765
Total Primary Government	<u>\$ 43,965</u>	<u>\$ 30,339</u>	<u>\$ 39,878</u>	<u>\$ 48,564</u>

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 3,483	\$ 3,657	\$ 2,967	\$ 1,882	\$ 505	\$ 1,547
1,710	1,817	1,701	1,616	1,775	2,313
2,372	1,337	-	-	-	-
26,822	27,060	28,057	27,479	27,744	30,975
19,831	20,216	19,225	19,457	20,564	21,574
4,969	5,055	5,000	5,081	3,623	5,161
51	68	50	4	-	-
487	441	573	580	646	636
3,741	3,465	3,959	4,520	4,934	5,771
14,050	16,499	12,987	15,949	15,455	14,030
21,188	12,160	5,093	7,650	12,093	7,045
98,704	91,775	79,612	84,218	87,339	89,052
137,561	125,713	118,476	126,251	131,421	139,694
(43,870)	(54,376)	(50,718)	(66,527)	(56,365)	(46,202)
26,839	21,325	1,293	10,014	14,263	10,711
(17,031)	(33,051)	(49,425)	(56,513)	(42,102)	(35,491)
44,574	54,104	58,561	60,351	70,926	82,151
22,429	23,687	25,076	26,297	27,875	29,810
7,800	8,341	8,663	7,987	9,275	10,714
1,074	1,409	4,064	4,614	1,311	(5,351)
3	1	-	-	-	-
1,944	1,504	1,704	1,387	1,056	1,196
(3,869)	(4,140)	(3,785)	(4,489)	(4,018)	(3,836)
73,955	84,906	94,283	96,147	106,425	114,684
690	872	4,024	4,345	674	(5,026)
3,478	3,431	2,344	2,939	1,810	3,356
3,869	4,140	3,785	4,489	4,018	3,836
8,037	8,443	10,153	11,773	6,502	2,166
81,992	93,349	104,436	107,920	112,927	116,850
30,085	30,530	43,565	29,620	50,060	68,482
34,876	29,768	11,446	21,787	20,765	12,876
\$ 64,961	\$ 60,298	\$ 55,011	\$ 51,407	\$ 70,825	\$ 81,358

CITY OF VISALIA
 FUND BALANCES OF GOVERNMENTAL FUNDS
 MODIFIED ACCRUAL BASIS OF ACCOUNTING
 LAST TEN FISCAL YEARS
 (In Thousands)

	Fiscal Year			
	2013	2014	2015	2016
General Fund:				
Nonspendable	\$ 1,168	\$ 580	\$ 435	\$ 357
Restricted	-	-	-	-
Committed	12,186	16,330	17,719	28,018
Assigned	21,665	18,629	19,486	18,781
Unassigned	1,305	1,387	4,043	4,787
Total General Fund	<u>36,324</u>	<u>36,926</u>	<u>41,683</u>	<u>51,943</u>
All Other Governmental Funds:				
Nonspendable	7	15	-	-
Restricted	44,392	44,817	45,965	50,857
Committed	-	5,318	7,271	15,903
Assigned	1,632	1,632	1,632	1,243
Unassigned	(6,782)	(6,419)	(2,471)	(11,627)
Total All Other Governmental Funds	<u>39,249</u>	<u>45,363</u>	<u>52,397</u>	<u>56,376</u>
Total Governmental Fund Balance	<u>\$ 75,573</u>	<u>\$ 82,289</u>	<u>\$ 94,080</u>	<u>\$ 108,319</u>

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 1,346	\$ 1,365	\$ 1,125	\$ 678	\$ 3,480	\$ 1,564
1,193	-	-	-	-	-
19,805	21,921	15,344	16,239	16,609	17,559
21,857	24,981	25,215	30,278	27,629	27,939
9,612	10,214	9,753	5,497	5,428	6,731
53,813	58,481	51,437	52,692	53,146	53,793
47	815	-	-	-	-
51,465	54,253	68,188	91,088	144,003	210,248
9,582	18,233	31,924	30,259	36,280	14,099
1,243	1,632	1,632	1,168	848	301
(5,393)	(6,005)	(3,925)	(4,475)	(31)	(989)
56,944	68,928	97,819	118,040	181,100	223,659
<u>\$ 110,757</u>	<u>\$ 127,409</u>	<u>\$ 149,256</u>	<u>\$ 170,732</u>	<u>\$ 234,246</u>	<u>\$ 277,452</u>

CITY OF VISALIA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
MODIFIED ACCRUAL BASIS OF ACCOUNTING
LAST TEN FISCAL YEARS
(In Thousands)

	Fiscal Year			
	2013	2014	2015	2016
Revenues:				
Sales Tax	\$ 30,342	\$ 28,791	\$ 32,237	\$ 36,144
Property Tax	23,886	27,306	26,711	26,880
Other Taxes	6,276	6,920	7,662	7,608
Subventions and Grants	26,604	15,336	13,137	13,286
Licenses and Permits	109	61	109	87
Fees and Fines	6,433	8,751	9,199	10,520
Use of Money and Property	1,087	907	2,334	1,133
Charges for Current Services	5,042	5,589	6,257	7,014
Miscellaneous	4,256	2,253	2,067	2,477
Total Revenues	104,035	95,914	99,713	105,149
Expenditures				
Current:				
General Government	270	2,477	2,896	3,102
Community Development	5,384	5,209	6,684	5,119
Community Services	5,777	7,956	8,104	3,231
Housing & Economic Development	598	-	-	-
Housing & Community Grants	-	-	-	-
Public Safety:				
Police	29,412	30,228	30,469	31,728
Fire	13,130	13,708	13,598	15,070
Public Works	7,875	3,239	5,563	8,958
Capital Outlay	24,708	22,429	17,378	32,435
Debt Service:				
Principal Retirement	615	649	2,229	1,178
Interest and Fiscal Charges	294	189	138	694
Total Expenditures	88,063	86,084	87,059	101,515
Excess (Deficiency) of Revenues Over (Under) Expenditures	15,972	9,830	12,654	3,634
Other Financing Sources (Uses):				
Issuance of Long-Term Debt	-	-	-	-
Proceeds from Long-Term Debt	-	-	-	-
Redemption of Long-Term Debt	-	-	-	-
Sales of Real Property	96	11	12	655
Proceeds from Sale of Capital	-	-	5	7
Issuance of Debt	-	-	1,558	13,121
Bond Premium	-	-	-	785
Transfers In	1,424	970	2,482	2,070
Transfers Out	(4,760)	(5,300)	(7,254)	(6,304)
Total Other Financing Sources (Uses)	(3,240)	(4,319)	(3,197)	10,334
Extraordinary Items	-	-	-	-
Net Change in Fund Balances	\$ 12,732	\$ 5,511	\$ 9,457	\$ 13,968

Debt Service as a Percentage of

Noncapital Expenditures ¹	1.3%	1.2%	3.2%	2.4%
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¹ The calculation of debt service as a percentage of noncapital expenditures excludes capital outlays.

In 2007 the City created the Housing & Economic Development Department and in 2014 it was absorbed in Community Development.

In 2020 the City separated the Housing & Community Grants from Community Development.

In 2020 the City renamed the Parks & Recreation department to Community Services Department.

Fiscal Year						
	2017	2018	2019	2020	2021	2022
\$	44,575	\$ 54,104	\$ 58,561	\$ 60,350	\$ 70,926	\$ 82,151
	22,370	23,694	25,048	26,282	27,885	29,726
	7,681	8,272	8,619	8,020	9,290	10,868
	14,160	10,355	13,505	14,829	17,865	14,689
	81	88	95	84	73	57
	10,552	10,991	12,267	13,929	14,264	17,382
	1,522	1,843	4,470	4,841	1,479	(4,977)
	7,859	8,367	8,692	8,374	8,117	10,530
	2,578	2,260	2,999	2,208	1,754	2,780
	<u>111,378</u>	<u>119,974</u>	<u>134,256</u>	<u>138,917</u>	<u>151,653</u>	<u>163,206</u>
	3,335	3,913	3,049	3,944	4,610	3,600
	5,245	5,272	6,052	2,114	2,552	3,135
	3,531	3,510	3,988	10,501	9,736	11,825
	-	-	-	-	-	-
	-	-	-	753	2,269	947
	33,378	35,382	38,446	41,638	42,420	44,792
	15,855	16,160	17,115	17,360	18,678	20,542
	8,874	9,053	8,966	5,400	5,305	5,881
	34,136	24,248	27,031	29,900	19,298	21,389
	1,321	1,364	1,136	895	882	1,041
	548	507	465	437	397	362
	<u>106,223</u>	<u>99,409</u>	<u>106,248</u>	<u>112,942</u>	<u>106,147</u>	<u>113,514</u>
	5,155	20,565	28,008	25,975	45,506	49,692
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	1,465	113	517	-	1,028	1,386
	3	1	1	16	3	47
	-	-	-	-	-	-
	-	-	-	-	-	-
	8,373	3,272	9,509	8,482	13,700	15,959
	(12,365)	(7,398)	(13,125)	(12,813)	(17,697)	(24,795)
	<u>(2,524)</u>	<u>(4,012)</u>	<u>(3,098)</u>	<u>(4,315)</u>	<u>(2,966)</u>	<u>(7,403)</u>
	-	-	-	-	-	-
\$	<u>2,631</u>	<u>\$ 16,553</u>	<u>\$ 24,910</u>	<u>\$ 21,660</u>	<u>\$ 42,540</u>	<u>\$ 42,289</u>
	2.3%	2.3%	2.0%	1.5%	1.5%	1.4%

CITY OF VISALIA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per \$100 of Assessed Value)

	Fiscal Year			
	2013	2014	2015	2016
City Direct Rate:				
City Basic Rate	\$ 0.1152	\$ 0.1152	\$ 0.1150	\$ 0.1150
Total City Direct Rate	0.1152	0.1152	0.1150	0.1150
Overlapping Rates:				
Visalia Unified School District	0.3068	0.3068	0.3068	0.3068
College of The Sequoias	0.0537	0.0537	0.0537	0.0537
County of Tulare	0.1840	0.1832	0.1832	0.1834
Tulare County Schools	0.0248	0.0248	0.0248	0.0248
Tulare County Flood Control District	0.0022	0.0022	0.0022	0.0022
Air Pollution Control District	0.0004	0.0004	0.0004	0.0004
Library Fund	0.0156	0.0156	0.0158	0.0158
Memorial District	0.0016	0.0016	0.0016	0.0016
Cemetery District	0.0011	0.0011	0.0011	0.0011
Delta Vector Control District	0.0142	0.0142	0.0142	0.0142
Kaweah Delta Hospital	0.0096	0.0096	0.0096	0.0096
Kaweah Delta Water District	0.0289	0.0289	0.0289	0.0289
Education Revenue Augmentation	0.2420	0.2429	0.2430	0.2430
Visalia Unified School District Bonds	0.0300	0.0300	0.0300	0.0226
Kaweah Delta Hospital Bonds	0.0253	0.0282	0.0209	0.0237
Kaweah Delta Water Assessment	0.0001	0.0004	0.0005	0.0004
Land and Improvements	-	-	-	-
Total Direct Rate ¹	\$ 1.0554	\$ 1.0588	\$ 1.0517	\$ 1.0472

NOTE:

In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only reassessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

¹ The City's total direct tax rate varies by tax rate area. The rate provided comes from tax rate area 006-008 and is representative of other tax rate areas within the City.

Source: Tulare County Auditor Controller's Office

	2017	2018	2019	2020	2021	2022
\$	0.1150	\$ 0.1150	\$ 0.1150	\$ 0.1150	\$ 0.1150	\$ 0.1150
	0.1150	0.1150	0.1150	0.1150	0.1150	0.1150
	0.3068	0.3068	0.3068	0.3068	0.3068	0.3068
	0.0537	0.0537	0.0537	0.0537	0.0537	0.0537
	0.1836	0.1825	0.1825	0.1818	0.1820	0.1820
	0.0248	0.0248	0.0248	0.0248	0.0248	0.0248
	0.0022	0.0021	0.0021	0.0021	0.0021	0.0021
	0.0004	0.0004	0.0004	0.0004	0.0004	0.0004
	0.0158	0.0157	0.0157	0.0156	0.0156	0.0156
	0.0016	0.0016	0.0016	0.0016	0.0016	0.0016
	0.0011	0.0011	0.0011	0.0011	0.0011	0.0011
	0.0142	0.0141	0.0141	0.0141	0.0141	0.0140
	0.0096	0.0096	0.0096	0.0096	0.0096	0.0096
	0.0289	0.0289	0.0289	0.0289	0.0289	0.0289
	0.2426	0.2438	0.2438	0.2447	0.2445	0.2447
	0.0270	0.0183	0.0225	0.0225	0.0425	0.0350
	0.0206	0.0198	0.0181	0.0181	0.0169	0.0180
	0.0003	0.0004	0.0004	0.0003	0.0004	0.0004
	-	-	-	-	-	-
\$	1.0482	\$ 1.0386	\$ 1.0411	\$ 1.0411	\$ 1.0600	\$ 1.0537

CITY OF VISALIA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(In Thousands)

Fiscal Year Ended June 30	City		Taxable Assessed Value	Total Direct Tax Rate ¹
	Secured	Unsecured		
2013	\$ 7,291,841	\$ 409,092	\$ 7,700,933	0.115%
2014	7,669,621	409,634	8,079,255	0.115%
2015	8,186,023	442,930	8,628,953	0.115%
2016	8,672,154	438,480	9,110,634	0.115%
2017	9,144,989	435,751	9,580,740	0.115%
2018	9,502,122	498,924	10,001,046	0.115%
2019	10,066,721	534,555	10,601,276	0.115%
2020	10,592,327	552,734	11,145,061	0.115%
2021	11,213,027	576,723	11,789,750	0.115%
2022	11,869,633	646,790	12,516,423	0.115%

NOTE:

In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only reassessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

¹ The City's total direct tax rate varies by tax rate area. The rate provided comes from tax rate area 006-008 and is representative of other tax rate areas within the City.

Source: Tulare County Auditor Controller's Office

**CITY OF VISALIA
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
(In Thousands)**

Taxpayer	2022			2013		
	Taxable Assessed Value	Percent Of Total City Taxable Assessed Value	Rank	Taxable Assessed Value	Percent Of Total City Taxable Assessed Value	Rank
California Dairies Inc.	\$ 171,886	1.37%	1	-	-	-
UPS Oasis Supply Corp.	74,275	0.59%	2	-	-	-
Valcal Company	60,545	0.48%	3	-	-	-
Caldwell Mooney Partners	58,947	0.47%	4	-	-	-
J Best LP	58,766	0.47%	5	-	-	-
Perfection Pet Foods LLC	54,731	0.44%	6	-	-	-
California Water Service	52,829	0.42%	7	-	-	-
Northwest Visalia Senior Housing	51,126	0.41%	8	-	-	-
Visalia Mall LP	48,660	0.39%	9	-	-	-
Graphic Packing INT	44,121	0.35%	10	-	-	-
California Dairies Inc.	-	-	-	145,998	1.90%	1
Imperial Bondware Corp.	-	-	-	65,808.00	0.85%	2
Visalia Mall LP	-	-	-	41,080	0.53%	3
Cottonwood Fresno Holdings LLC	-	-	-	35,000.00	0.45%	4
VF Outdoor	-	-	-	33,792	0.44%	5
Calif Water Service Co	-	-	-	33,631	0.44%	6
Blam-Jade LP	-	-	-	30,269	0.39%	7
J Beast LP	-	-	-	29,815	0.39%	8
Bank of America NT&SA	-	-	-	27,273	0.35%	9
Donald Schriber Realty Group LP	-	-	-	24,291	0.32%	10
Total Ten Largest Tax Payers	<u>\$ 675,886</u>	<u>5.40%</u>		<u>\$ 466,957</u>	<u>6.06%</u>	
All Other Tax Payers	<u>\$11,840,537</u>	<u>94.60%</u>		<u>\$ 7,233,976</u>	<u>93.94%</u>	
Total Assessed Valuation - All Tax Payers	<u>\$12,516,423</u>	<u>100.00%</u>		<u>\$ 7,700,933</u>	<u>100.00%</u>	

The amounts shown above include assessed value data for both the City and the Successor Agency.

Source: Tulare County Auditor-Controller

CITY OF VISALIA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(In Thousands)

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy	
		Amount	Percent of Levy
2013	\$ 16,106	\$ 16,106	100.00%
2014	17,167	17,167	100.00%
2015	18,755	18,755	100.00%
2016	19,764	19,764	100.00%
2017	20,337	20,337	100.00%
2018	21,211	21,211	100.00%
2019	22,495	22,495	100.00%
2020	23,649	23,649	100.00%
2021	25,137	25,137	100.00%
2022	26,544	25,185	94.88%

Source: Tulare County Auditor-Controller

**CITY OF VISALIA
HISTORICAL SALES AND USE TAX RATES**

Effective Date	End Date	Statewide Base Sales and Use Tax Rate					County Rate Measure R	City Rate Measure N	Combined Rate
		State Jurisdiction	Local Transportation Fund	Local City Rate	(1) City Rate Measure T				
08/01/1933	06/30/1935 (2)	2.50%						2.50%	
07/01/1935	06/30/1943	3.00%						3.00%	
07/01/1943	06/30/1949	2.50%						2.50%	
07/01/1949	12/31/1961	3.00%			1.00%			4.00%	
01/01/1962	07/31/1967	3.00%			1.00%			4.00%	
08/01/1967	06/30/1972	4.00%	0.25%	1.00%				5.25%	
07/01/1972	06/30/1973	3.75%	0.25%	1.00%				5.00%	
07/01/1973	09/30/1973	4.75%	0.25%	1.00%				6.00%	
10/01/1973	03/31/1974	3.75%	0.25%	1.00%				5.00%	
04/01/1974	11/30/1989	4.75%	0.25%	1.00%				6.00%	
12/01/1989	12/31/1990	5.00%	0.25%	1.00%				6.25%	
01/01/1991	07/14/1991	4.75%	0.25%	1.00%				6.00%	
07/15/1991	12/31/2000	6.00%	0.25%	1.00%				7.25%	
01/01/2001	12/31/2001	5.75%	0.25%	1.00%				7.00%	
01/01/2002	06/30/2004	6.00%	0.25%	1.00%				7.25%	
07/01/2004	03/31/2007	6.25%	0.25%	0.75% (3)	0.25% (4)			7.50%	
04/01/2007	03/31/2009	6.25%	0.25%	0.75%	0.25%	0.50% (5)		8.00%	
04/01/2009	06/30/2011	7.25%	0.25%	0.75%	0.25%	0.50%		9.00%	
07/01/2011	12/31/2012	6.25%	0.25%	0.75%	0.25%	0.50%		8.00%	
01/01/2013	12/31/2016	6.50%	0.25%	0.75%	0.25%	0.50%		8.25%	
01/01/2017	03/31/2017	6.00%	0.25%	1.00%	0.25%	0.50%		8.00%	
04/01/2017	Current	6.00%	0.25%	1.00%	0.25%	0.50%	0.50% (6)	8.50%	

NOTES:

- (1) The Bradley-Burns Uniform Local Sales and Use Tax Law was enacted in 1955. The law authorizes cities and counties to impose a sales and use tax. Effective January 1, 1962, all cities and counties have adopted ordinances for the State Board of Equalization to collect the local tax.
- (2) Sales Tax only. The use tax was enacted effective July 1, 1935.
- (3) In March 2004, a State ballot measure was passed issuing deficit reduction bonds for State purposes. Funding was provided effective July 1, 2004, by repealing 25% of the local 1% sales tax and then adopting a new 1/4 cent sales tax dedicated to the repayment of the deficit reduction bonds. Cities and counties would then be "made whole" by the State from increased property tax allocations via reduced contributions to ERAF. This "triple flip" is theoretically revenue-neutral, and as such, the effective rate for revenue purposes remains at 1%.
- (4) In March 2004, the voters of the City of Visalia passed a sales tax override (Measure T) to increase public safety in the community increasing the City rate by 1/4% ,effective July 1, 2004. The measure requires the City Manager to annually recertify the Measure T plan to the City Council. Additionally, the plan must be reaffirmed every 8 years by a 4 out of 5 City Council approval.
- (5) In November 2006, voters in the County of Tulare approved a countywide sales tax measure (Measure R) giving the County a 1/2% rate increase which became effective April 1, 2007. The sales tax measure has a sunset period of 30 years. The revenue is earmarked for transportation projects with allocations as follows: 50% for regional projects, 35% goes to cities for their street programs, 14% for transportation enhancement programs, and 1% for administration.
- (6) In November 2016, voters of the City of Visalia passed a 1/2 (half-cent) sales tax override (Measure N), effective April 1, 2017. The proceeds of this tax will provide the City with a reliable, ongoing, local source of funding for public safety, repairs and maintenance for streets, and maintenance of parks and trails.

Source:

- (1)(2)(3) State Board of Equalization, State of California
(4)(5)(6) City of Visalia

CITY OF VISALIA
TAXABLE SALES TRANSACTIONS BY TYPE
2012-2021 CALENDAR YEARS
(Dollars in Thousands)

	2017 ⁽²⁾	2018 ⁽²⁾	2019 ⁽²⁾	2020 ⁽²⁾	2021 ⁽²⁾
Retail Stores					
Apparel Stores	\$ 138,637	\$ 144,806	\$ 145,638	\$ 107,987	\$ 185,096
General Merchandise Stores	400,820	406,490	405,765	387,705	471,973
Food Stores	120,900	124,058	124,210	138,239	131,034
Eating and Drinking Places	277,409	288,003	296,010	249,567	348,749
Home Furnishings and Appliances	86,839	91,966	92,407	91,551	119,453
Bldg. Material and Farm Implements	222,315	312,640	242,041	286,433	309,307
Auto Dealers and Auto Supplies	401,536	377,145	375,482	370,099	479,184
Service Stations	163,999	155,709	171,821	132,712	186,585
Other Retail Stores	203,637	215,347	214,145	218,646	346,084
Retail Stores Totals	2,016,092	2,116,164	2,067,519	1,982,939	2,577,465
All Other Outlets	794,330	854,888	1,029,450	1,081,731	1,251,414
Totals All Outlets	<u>\$ 2,810,422</u>	<u>\$ 2,971,052</u>	<u>\$ 3,096,969</u>	<u>\$ 3,064,670</u>	<u>\$ 3,828,879</u>

	2012 ⁽¹⁾	2013 ⁽¹⁾	2014 ⁽²⁾	2015 ⁽²⁾	2016 ⁽²⁾
Retail Stores					
Apparel Stores	\$ 106,654	\$ 117,386	\$ 123,465	\$ 128,885	\$ 138,129
General Merchandise Stores	360,708	372,736	382,040	392,404	398,900
Food Stores	101,802	100,028	109,234	108,996	123,005
Eating and Drinking Places	201,736	212,084	227,906	247,406	263,310
Home Furnishings and Appliances	62,602	61,870	65,265	83,136	91,778
Bldg. Material and Farm Implements	166,037	177,376	180,519	203,921	213,421
Auto Dealers and Auto Supplies	218,065	308,334	320,499	370,884	411,684
Service Stations	259,272	212,292	210,790	155,270	141,307
Other Retail Stores	170,604	234,171	266,053	208,015	212,872
Retail Stores Totals	1,647,480	1,796,276	1,885,770	1,898,917	1,994,406
All Other Outlets	581,045	648,627	642,282	742,120	775,194
Totals All Outlets	<u>\$ 2,228,525</u>	<u>\$ 2,444,903</u>	<u>\$ 2,528,051</u>	<u>\$ 2,641,037</u>	<u>\$ 2,769,600</u>

Source:

(1) California Department of Finance

(2) Avenue Insights & Analytics (MuniServices)

Note: 2021 is latest available year.

CITY OF VISALIA
TOP 25 SALES TAX CONTRIBUTORS
2021 CALENDAR YEAR and NINE YEARS AGO
(in alphabetical order)

2021 CALENDAR YEAR

Amazon	MWI Veterinary Supply
ARCO AM/PM Mini Marts	Nissan of Visalia
Best Buy Stores	Ross Stores
Bluescope Buildings	Save Mart Supermarkets
Butler Animal Health Supply	Target Stores
Chevron Service Stations	Tri-Animal Health Services
COSTCO Wholesale	Visalia Buick GMC
Giant Chevrolet Company	Visalia Ford
HILTI	Visalia Kia
Home Depot	Visalia Toyota
J.C. Lansdowne	VWR International
Lampe Chrysler Dodge Jeep Ram	Wal Mart Stores
Lowe's Home Improvement	

2012 CALENDAR YEAR

Best Buy Stores	Nissan of Visalia
Bluescope Buildings	Ross Stores
Butler Animal Health Supply	Save Mart Supermarkets
COSTCO Wholesale	Target Stores
Don Rose Oil Company	Tri-Animal Health Services
HILTI	Union 76 Service Stations
Home Depot	Valero Service Stations
J C Penney Company	Valley Pacific Petroleum
Josten's	Visalia Honda
Lampe Chrysler Dodge Jeep Ram	Visalia Toyota
Lowe's Home Improvement	VWR International
Macy's	Wal Mart Stores
MWI Veterinary Supply	

Source: Avenue Insights & Analytics (MuniServices)

Note: 2021 is latest available year.

CITY OF VISALIA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(In Thousands, except Debt per Capita)

Fiscal Year Ended June 30	Governmental Activities			Total Governmental Activities
	Certificates of Participation	Notes Payable	Lease Liabilities	
2012	\$ 2,175	\$ 2,972	\$ -	\$ 5,147
2013	2,323	2,584	-	4,907
2014	2,022	2,173	-	4,195
2015	1,306	1,987	-	3,293
2016	13,678	1,479	-	15,157
2017	12,835	937	-	13,772
2018	11,994	372	-	12,366
2019	11,155	54	-	11,209
2020	10,310	-	-	10,310
2021	9,428	-	-	9,428
2022	8,501	-	723	9,224

NOTES:

¹US Department of Commerce Bureau of Economic Analysis

Personal Income Data from the Bureau of Economic Analysis is only available through 2020.

Business-type Activities						
Certificates of Participation	Notes	Total Business-type Activities	Total Primary Government	Percentage of Personal Income ¹	Debt Per Capita	
\$ 11,998	\$ -	\$ 11,998	\$ 17,145	0.12%	135	
17,270	-	17,270	22,177	0.15%	173	
15,557	14,999	30,556	34,751	0.21%	268	
12,442	56,979	69,421	72,714	0.43%	566	
16,053	84,995	101,048	116,205	0.66%	887	
14,834	92,703	107,537	121,309	0.66%	911	
13,602	96,516	110,118	122,484	0.66%	899	
12,360	94,133	106,493	117,702	0.59%	852	
11,103	91,705	102,808	113,118	0.52%	816	
9,810	89,266	99,076	108,504	N/A	783	
8,476	86,775	95,251	104,475	N/A	750	

CITY OF VISALIA
RATIO OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(In Thousands, except Debt per Capita)

Fiscal Year Ended June 30	<u>Outstanding General Bonded Debt</u>			Percent of Assessed Value ¹	Debt Per Capita
	Certificates of Participation	Lease Liabilities	Total		
2013	\$ 1,698	\$ -	\$ 1,698	0.02%	13
2014	1,384	-	1,384	0.02%	11
2015	1,304	-	1,304	0.02%	10
2016	13,670	-	13,670	0.15%	104
2017	12,827	-	12,827	0.13%	96
2018	11,985	-	11,985	0.12%	88
2019	11,155	-	11,155	0.11%	81
2020	10,310	-	10,310	0.09%	74
2021	9,428	-	9,428	0.08%	68
2022	8,501	723	9,224	0.07%	65

General bonded debt is debt payable with governmental fund resources and general obligation bonds recorded in enterprise funds.

¹Assessed value has been used because the actual value of taxable property is not readily available in the State of California.

**CITY OF VISALIA
DIRECT AND OVERLAPPING DEBT
JUNE 30, 2022
(In Thousands)**

2021-22 City Assessed Valuation		\$ 12,516,423	
Successor Agency Incremental Valuation		<u>1,058,877</u>	
 Total Assessed Valuation		 <u><u>\$ 13,575,300</u></u>	
	Percentage Applicable ¹	Outstanding Debt 6/30/22	Estimated Share of Overlapping Debt
Overlapping Tax and Assessment Debt:			
College of the Sequoias Tulare School Facilities Improvement District	0.464%	\$ 56,957	\$ 264
College of the Sequoias Visalia School Facilities Improvement District	68.096%	24,687	16,811
Visalia Unified School District	86.591%	89,340	77,361
Tulare Joint Union High School District	0.603%	15,195	92
Liberty School District	16.461%	405	67
Kaweah Delta Hospital District	85.347%	39,025	33,307
City of Visalia 1915 Act Bonds	100.000%	<u>313</u>	<u>313</u>
 Total Overlapping Tax and Assessment Debt		 <u>225,922</u>	 <u>128,214</u>
Direct and Overlapping General Fund Debt:			
Tulare County Certificates of Participation	33.431%	44,496	14,875
Tulare County Pension Obligation Bonds	33.431%	212,080	70,900
Tulare County Board of Education Certificates of Participation	33.431%	35,600	11,901
Visalia Unified School District Certificates of Participation	86.411%	32,740	28,292
Liberty School District Certificates of Participation	16.461%	2,155	355
City of Visalia General Fund Obligations	100.000%	<u>9,224</u>	<u>9,224</u>
 Total Direct and Overlapping General Fund Debt		 <u>336,295</u>	 <u>135,547</u>
Overlapping Tax Increment Debt (Successor Agency)	100.000%	<u>1,090</u>	<u>1,090</u>
 Total Direct Debt		 9,224	 9,224
 Total Overlapping Debt		 <u>342,003</u>	 <u>184,727</u>
 Combined Total Debt		 <u><u>\$ 351,227</u></u>	 <u><u>\$ 193,951</u></u>

NOTE:

¹Percentage of overlapping agency's assessed valuation located within boundaries of the City

Source: Avenu Muni Services

**CITY OF VISALIA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(In Thousands)**

	Fiscal Year				
	2013	2014	2015	2016	2017
Assessed valuation	\$ 7,700,933	\$ 8,079,201	\$ 8,628,953	\$ 9,110,634	\$ 9,580,740
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	1,925,233	2,019,800	2,157,238	2,277,659	2,395,185
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	288,785	302,970	323,586	341,649	359,278
Total net debt applicable to limit: General obligation bonds	-	-	-	-	-
Legal debt margin	<u>\$ 288,785</u>	<u>\$ 302,970</u>	<u>\$ 323,586</u>	<u>\$ 341,649</u>	<u>\$ 359,278</u>
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%	0.0%

NOTE:

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

Source: City Finance Department
Tulare County Tax Assessor's Office

		Fiscal Year							
		2018	2019	2020	2021	2022			
\$	10,001,046	\$	10,601,276	\$	11,145,062	\$	11,789,750	\$	12,516,423
	25%		25%		25%		25%		25%
	2,500,262		2,650,319		2,786,266		2,947,438		3,129,106
	15%		15%		15%		15%		15%
	375,039		397,548		417,940		442,116		469,366
	-		-		-		-		-
\$	<u>375,039</u>	\$	<u>397,548</u>	\$	<u>417,940</u>	\$	<u>442,116</u>	\$	<u>469,366</u>
	0.0%		0.0%		0.0%		0.0%		0.0%

**PLEGGED REVENUE COVERAGE
LAST TEN FISCAL YEARS
(In Thousands)**

Fiscal Year Ended June 30	Wastewater & Storm Sewer Maintenance Fund Cleanwater State Revolving Fund Loan					
	Operating Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Debt Service Coverage
				Principal	Interest	
2013	\$ 21,465	\$ 10,163	\$ 11,302	-	-	-
2014	22,365	9,180	13,185	-	-	-
2015	25,031	11,184	13,847	-	-	-
2016	25,504	11,778	13,726	-	-	-
2017	26,822	12,863	13,959	-	-	-
2018	27,060	13,561	13,499	-	-	-
2019	28,057	15,062	12,995	2,340	2,025	2.98
2020	27,479	16,163	11,316	2,389	1,976	2.59
2021	27,862	15,734	12,128	2,438	1,926	2.78
2022	30,975	19,525	11,450	2,491	1,875	2.62

Note:

State Revolving Fund loan has pledged enterprise revenue agreement.

Details regarding the City's outstanding debt can be found in the notes to the financial statements
Operating expenses do not include interest or depreciation expenses.

**CITY OF VISALIA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Calendar Year	Population (1)	Assessed Value (in thousands) (2)	Per Capita Assessed Value	Personal Income (in thousands) (3)	Per Capita Personal Income (3)	Unemployment Rate (4)
2013	128,443	\$ 7,700,933	\$ 59,956	\$ 15,283,723	\$ 33,690	14.5%
2014	129,481	8,079,201	62,397	16,941,984	37,117	13.2%
2015	128,447	8,628,953	67,179	17,105,786	37,300	11.0%
2016	130,231	9,110,634	69,957	17,578,692	38,145	10.3%
2017	133,151	9,580,740	71,954	18,466,575	39,756	9.9%
2018	136,246	10,001,046	73,404	18,679,327	40,206	9.6%
2019	138,207	10,601,276	76,706	19,973,932	42,845	9.1%
2020	138,649	11,145,062	80,383	21,722,554	46,348	17.1%
2021	141,279	11,789,750	83,450	NA	NA	11.1%
2022	142,091	12,516,423	88,087	NA	NA	7.4%

Sources: (1) State Department of Finance
(2) Tulare County Auditor-Controller
(3) US Department of Commerce Bureau of Economic Analysis*
(4) US Department of Labor Bureau of Labor Statistics/State of California Employment Development Department*

* Rate for Tulare County as of June 30

Note:
Personal Income & Per Capita Personal Income Data from the Bureau of Economic Analysis is only available through 2020.

**CITY OF VISALIA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Employer	2022			2013		
	Number of Employees	Rank	Percent of Total Employment	Number of Employees	Rank	Percent of Total Employment
Kaweah Delta Healthcare (1)	4,550	1	2.37%	2,000	3	1.09%
County of Tulare (1)	4,311	2	2.25%	4,814	1	2.62%
Visalia Unified School District (2)	2,988	3	1.56%	2,500	2	1.36%
Visalia Mall (cumulative) (1)	1,200	4	0.63%	NA		NA
VF Outdoor Inc (1)	1,012	5	0.53%	400	8	0.22%
Walmart (incl. Neighborhood Market) (1)	840	6	0.44%	NA		NA
Graphic Packaging (Intl. Paper Co.) (1)	757	7	0.39%	300	9	0.16%
College of the Sequoias (1)	705	8	0.37%	745	4	0.41%
City of Visalia (3)	659	9	0.34%	558	7	0.30%
UPS (1)	600	10	0.31%	NA		NA
Jostens	NA		NA	720	5	0.39%
CIGNA Health Care	NA		NA	700	6	0.38%
California Pretzel Co. Inc.	NA		NA	225	10	0.12%
Number of Employed (4)	191,800			183,400		

Source: (1) City of Visalia Economic Development Division (December 2020)
(2) Visalia Unified School District
(3) City of Visalia Budget
(4) State of California Employment Development Department

**CITY OF VISALIA
FULL-TIME CITY EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS**

Function	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Administration	46	44	46	46	47	64	64	64	18	18
Administrative Services	31	NA	NA	NA	NA	NA	NA	NA	NA	NA
Community Development	55	61	64	65	65	79	79	77	35	35
Finance	NA	16	16	20	20	27	27	27	52	52
Fire	81	81	82	82	81	81	85	85	86	86
General Services	NA	NA	NA	NA	NA	NA	NA	NA	46	46
Housing & Economic Development	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Housing & Community Grants	NA	NA	NA	NA	NA	NA	NA	2	NA	NA
Community Services	32	32	34	12	12	13	13	13	39	39
Police	198	206	208	208	208	223	230	234	237	239
Public Works	115	118	121	139	141	143	144	144	144	144
Transportation & General Services	NA	18	18	27	29	NA	NA	NA	NA	NA
Total	558	576	589	599	603	630	642	646	657	659

(NA) - Function was not active in this year and was combined with another function.

Source: City Budget

CITY OF VISALIA
OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years

	Fiscal Year			
	2013	2014	2015	2016
Police:				
Calls for service - Calendar Year*	<u>126,767</u>	<u>129,828</u>	<u>134,287</u>	<u>144,856</u>
Fire:				
Calls for service - Calendar Year	<u>12,140</u>	<u>12,482</u>	<u>12,518</u>	<u>14,065</u>
Refuse/Sewer**:				
Number of Residential Accounts	35,797	36,144	37,538	37,884
Number of Commercial Accounts	<u>3,020</u>	<u>3,731</u>	<u>3,747</u>	<u>3,758</u>
Total Refuse/Sewer Accounts	<u>38,817</u>	<u>39,875</u>	<u>41,285</u>	<u>41,642</u>
Business Licenses:				
New licenses issued during the year	1,194	1,261	1,098	1,201
Total business licenses	<u>11,533</u>	<u>11,784</u>	<u>11,920</u>	<u>12,145</u>
Building Permits:				
Residential	1,602	2,019	2,478	3,152
Commercial	367	353	381	349
Miscellaneous	<u>1,242</u>	<u>1,474</u>	<u>1,673</u>	<u>1,648</u>
Total Building Permits	<u>3,211</u>	<u>3,846</u>	<u>4,532</u>	<u>5,149</u>

Source: City of Visalia

Note:

* 2021 calendar year information available.

** Refuse/Sewer variance for 2019 and 2020 is due to new system tracking of customers.

Fiscal Year					
2017	2018	2019	2020	2021	2022
144,489	153,701	158,783	160,465	158,189	158,836
14,283	15,301	15,229	16,180	15,885	16,630
38,014	38,579	41,638	39,494	39,076	40,397
4,043	3,993	3,654	3,254	3,360	3,441
42,057	42,572	45,292	42,748	42,436	43,838
1,375	1,955	1,586	1,409	1,236	1,525
12,098	12,268	12,241	12,315	12,505	12,953
2,793	2,865	3,049	2,753	3,367	4,068
355	381	319	319	270	343
1,745	1,497	1,970	1,962	2,025	2,223
4,893	4,743	5,338	5,034	5,662	6,634

CITY OF VISALIA
CAPITAL ASSET STATISTICS BY FUNCTION
Last Ten Fiscal Years

	Fiscal Year			
	2013	2014	2015	2016
Police:				
Stations	3	3	3	3
Fire:				
Fire stations	5	5	5	6
Public Works:				
City Area in Square Miles	37	37	37	37
Streets (miles)	493	493	512	512
Traffic Signalized Intersections	118	118	120	120
Community Services:				
Developed City Park Acreage	291	288	281	281
City Owned Open Space Acreage	205	231	282	282
Public Libraries	1	1	1	1
Recreation Centers	5	5	5	5
Swimming Pools	0	0	0	0
Parks	50	50	52	52
Acres of Parks	493	493	290	290
Wastewater:				
Sanitary sewers (miles)	468	468	468	468
Storm sewers (miles)	240	240	240	240
Golf Course:				
Municipal golf courses	1	1	1	1

Source: Various City Departments

Fiscal Year					
2017	2018	2019	2020	2021	2022
3	3	3	3	3	3
6	6	6	6	6	6
38	38	38	38	38	38
516	516	525	528	519	523
123	123	126	127	131	131
269	269	269	269	293	293
289	289	289	289	266	266
1	1	1	1	1	1
5	5	5	5	5	5
0	0	0	0	0	0
54	54	54	54	58	58
286	286	286	286	314	314
507	508	508	508	508	508
276	277	277	277	277	277
1	1	1	1	1	1

**CITY OF VISALIA
INSURANCE IN FORCE
FISCAL YEAR ENDED JUNE 30, 2022**

Coverage	Underwriter	Limits of Coverage	Deductibles	Policy Number	Period of Policy
PRIMARY POLICIES					
General liability over \$1,000,000 per occurrence (covers bodily injury, personal injury, property damage and errors/omissions, auto liability, or any combination thereof) ACCEL coverage effective 6/1/86	Authority for California Cities Excess Liability (ACCEL)	SIR \$1,000,000; ACCEL pooled layer \$9,000,000; Pool purchase \$45,000,000; total limits \$55,000,000	\$1,000,000 SIR		07/01/21 to 06/30/22
Commercial Property Policy	Fireman's Fund Insurance Company	Business Real Property, Business Personal Property limit \$347 mil; Business Income/Extra Exp \$10m	\$50,000 bldg; \$5k contents;	USC007189200	07/01/21 to 06/30/22
Pollution Liability (Underground Storage Tank)	Crum & Forester	\$1 mil liability; \$1 mil aggregate	\$5k deductible	STP410572	10/12/20 to 10/12/22
Excess Workers Compensation	Keenan & Associates/Security National	XS work comp, loss control fees; admin fees; broker fees. \$25 million limits	\$1 mil SIR	SP4065356	07/01/21 to 06/30/22
Excess Health & Medical Coverage	CSAC EIA/PRISM Risk	Healthcare Pooling Program	None		1/1/22 to 12/31/22
SPECIAL COVERAGES					
Aviation Liability	ACE Property Casualty/CHUBB	25 mil each occurrence/offense in respect of Bodily Injury, Personal and Advertising Injury and Property Damage combined, subject to limitations	None	AAP N10694243 002	7/14/21 to 7/14/22
Cyber Insurance	Lloyd's of London	5 mil aggregate;	100,000	#ESK0034399071	11/4/21 - 11/4/22
Contractors Equipment/Mobile Equipment/Fine Arts/Valuable Papers & Records	Markel American Insurance Company	Contractors equip/mobile equip \$9,133,263 all covered property, including rented and leased; limit \$500 ee tool/\$5k per occurrence; Fine arts/Valuable papers & records \$500k blanket all locations; Commercial Fine Arts Floater, \$85k limit,	\$500 deductible	MKLM41M0051367	7/1/21 to 7/1/22
Crime Policy/ Bond - General	Fidelity and Deposit Companies	Commercial Crime Policy; \$5,000,000	\$100,000 deductible	CCP004781615	4/27/21 to 4/27/24
Crime Policy/Bond - Police	Fidelity and Deposit Companies	Commercial Crime Policy; \$5,000,000	\$100,000 deductible	CCP612789117	4/27/21 to 4/27/24
Special Events Insurance	Diversified Risk	Liability policy available to citizens holding events in city facilities/parks			
EAP	CuraLink	6 visits per insured member per year			7/1/2019 - 6/30/22
Long Term Disability (LTD)	Sun Life	66% of pre-disability earnings up to \$5,000 monthly benefit		234707	1/1/21 to 12/31/22
Life Insurance	Sun Life	City Manager 2X Annual Salary; Department Head Group \$75,000; All Other Employees \$30,000		234707	1/1/21 to 12/31/22
Dental	Preferred Benefits/Delta Dental	\$1,000 maximum annual benefit paid per insured (retirees and their dependents are not eligible for dental)		8244	1/1/22 to 12/31/22
Vision	Vision Service Plan	Annual benefits with VSP provider		ID #00849301	1/1/22 to 12/31/24

Compliance Section





HANFORD | PORTERVILLE | TULARE | VISALIA

M. GREEN AND COMPANY LLP

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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City Council
City of Visalia and Citizens Advisory Committee
707 W. Acequia
Visalia, CA 93291-6100

We have performed the procedures enumerated below with respect to the administration, financial management and accounting of the City of Visalia's (City) Visalia Public Safety Sales Tax (Measure T) funds for the fiscal year ended June 30, 2022. The City's management is responsible for the City's administration, financial management and accounting for Measure T.

The City has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose, solely to assist the City and the independent Citizens Advisory Committee (CAC) in regards to Measure T. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs to fall users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

- (1) We obtained and reviewed the City's Measure T commitments as expressed in the Measure T ballot measure from the March 2, 2004 election, the Enabling Ordinance adopted by the City Council, the Board of Equalization Agreements for implementation and administration of additional sales tax, the City Council approved Program Guidelines and expenditure plans for the current fiscal year and the Annual Recertification Plan for June 30, 2022, as approved by the City Council.

Findings: None

- (2) We updated our documentation of the following Measure T compliance provisions, as interpreted by the City Council adopted enabling ordinance, program guidelines and interim progress report reported to City staff:

- a. Administrative procedures
- b. Accounting control (including budgetary) procedures

Findings: None

- (3) We updated our understanding of the City's implementation of the material administrative compliance procedures.

Findings: None

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- (4) We updated our understanding of the City's implementation of the material accounting control procedures and determined if the following were implemented or maintained:
- a. Establishment of a separate Measure T fund or fund group;
 - b. Establishment within the Measure T fund(s) of an accountability structure that allows for accountability of the Measure T sales tax proceeds mandated allocations - police (60%) and fire (40%);
 - c. That reasonable interest allocation methodologies were applied to Measure T fund(s) regarding interest revenue for unexpended net proceeds and interest charged for other City fund advances;
 - d. Repayment of advances to Measure T fund(s) from other funds within 24 months of the advance;
 - e. That General Fund support for police and fire services during the fiscal year 2021-22, without regard to Measure T funds based upon budgeted expenditure levels, was not less than General Fund police and fire services support during the fiscal year 2020-21, unless the Council declared an economic emergency by a 4/5th vote;
 - f. Establishment of a separate "Economic Uncertainty" fund within the Measure T fund(s) of 25% of the budgeted Measure T tax revenues.

Finding:

Measure T calls for the budgeted General Fund support for police and fire services during the fiscal year 2021-22, without regard to Measure T, to be greater than the General Fund police and fire services support during the fiscal year 2020-21, unless the council declares an economic emergency by a 4/5th vote.

General Fund support for police and fire services during the fiscal year 2021-22, without regard to Measure T, was greater than the General Fund police and fire services support during the fiscal year 2020-21; therefore, the City has met the maintenance of effort calculations.

Finding:

The Measure calls for the establishment and funding of an Economic Uncertainty Fund in the amount of 25% of the annually budgeted revenues. The Fire and Police Measure T Economic Uncertainty Fund balances as of June 30, 2022, were \$675,662 and \$992,138, respectively. The amount for the Fire and Police Measure T Economic Uncertainty Funds exceeded the required 25% by \$95,212 and \$121,488, respectively.

- (5) We traced all Measure T monies remitted by the California Department of Tax and Fee Administration to determine whether they were properly deposited into the appropriate Measure T fund.

Findings: None

- (6) We performed procedures to verify the summaries of Measure T receipts, disbursements and unexpended funds pertaining to the fiscal year 2021-22 as prepared by the City.

Finding:

Our review indicated that the plan objectives call for 23 police officers and 13 firemen were to be hired during the fiscal year. During the current fiscal year 22 police officers were hired and there was one vacancy. However, during the fiscal year two additional positions became vacant and remained vacant as of June 30, 2022. Therefore, as of June 30, 2022, three police officer positions were vacant and are being recruited. During the current fiscal year, 13 firemen were hired as called for in the current plan. At the end of the fiscal year one position became vacant and remained vacant as of June 30, 2022 and is being recruited.

Finding:

We found that Measure T funds currently has 23 police officer vehicles and vehicle replacement expenditures being allocated to Police Measure T Funds in accordance with the number of police officers included in the plan objectives. However, as of June 30, 2022, there were only 20 police officer positions filled and the open positions are being recruited.

Finding:

We found that the Capital Improvement Program expenditures are generally proceeding in accordance with the Measure T Plan. The City finished construction of the Visalia Emergency Communication Center during the 2017-18 fiscal year. The expenditures made towards the project were not charged to Fire and Police Measure T Funds, as the project was a multi-funded project which was being funded with prior year Certificates of Participation (COP) proceeds. Therefore, expenditures related to the construction of the Visalia Emergency Communication Center, were recorded in another fund where all project expenditures were accounted for. COP in the amount of \$17,910,000 were issued in the 2015-16 fiscal year to fund the project. The Measure T Plan was recertified approving the Police Measure T Fund to pay the total debt payment at a reduced amount, which makes Measure T's portion of the COP proceeds and debt service payments 9.577540%. Police Measure T Funds paid \$151,249 of debt service payments in the current fiscal year in accordance with approved plan and is budgeted to pay for their reduced percentage of the project through an additional 8 years of debt service payments ending in fiscal year 2029-30.

The plan also calls for contributions towards the construction of a Public Safety Office Building to improve police and fire operations. In August of 2019, the design phase was approved to begin. However, due to COVID-19 interviews with consultants were delayed and an architectural engineer wasn't selected until May of 2021 and the project was still in the design phase as of June 30, 2022.

- (7) We determined if the Measure T allocations were made in accordance with the following required funding priorities:
- a. Funding of the current year's budgeted expenditures;
 - b. Funding of the "Economic Uncertainty" Fund including annual revision;
 - c. Funding expenditures budgeted for subsequent plan years.

Findings: None

- (8) We conducted an exit interview with City staff representatives.

Findings: None

We were engaged by the City to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on administration, financial management and accounting. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the City Council, City management and the CAC and is not intended to be and should not be used by anyone other than those specified parties. However, this report is a matter of public record and its distribution is not limited.

Very truly yours,


M. GREEN AND COMPANY LLP
Certified Public Accountants

December 12, 2022
Visalia, California



HANFORD | PORTERVILLE | TULARE | VISALIA

M. GREEN AND COMPANY LLP

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

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City Council
City of Visalia and Measure N Sales Tax Oversight Board
707 W. Acequia
Visalia, CA 93291-6100

We have performed the procedures enumerated below with respect to the administration, financial management and accounting of the City of Visalia's (City) Visalia Essential City Services Sales Tax (Measure N) funds for the fiscal year ended June 30, 2022. The City's management is responsible for the City's administration, financial management and accounting for Measure N.

The City has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose, solely to assist the City and the independent Measure N Sales Tax Oversight Board in regards to Measure N. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs to fail users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

- (1) We obtained and reviewed the City's Measure N commitments as expressed in the Measure N ballot measure from the November 8, 2016 election, the Enabling Ordinance including accountability measures adopted by the City Council, the Board of Equalization Agreements for implementation and administration of additional sales tax, and the City Council approved initial expenditure plan, annual expenditure plan and any amendments, as applicable for the current fiscal year.

Findings: None

- (2) We identified and documented the following Measure N compliance provisions, as interpreted by the City Council adopted enabling ordinance and interim progress report reported to City staff.
 - a. Administrative procedures
 - b. Accounting control (including budgetary) procedures

Findings: None

- (3) We updated our understanding of the City's implementation of the material administrative compliance procedures.

Findings: None

- (4) We updated our understanding of the City's implementation of the material accounting control procedures and determined if the following were implemented or maintained:
- a. Establishment of an initial spending plan specifying the uses of the proceeds of the sales or use tax for the period between implementation of the sales and use tax and the end of the subsequent fiscal year; and,
 - b. Establishment of an annual expenditure plan, as part of adoption of an annual City General Fund budget, specifying the uses of the proceeds of the sales or use tax for the coming fiscal year prior to the expiration of the initial expenditure plan; and,
 - c. That any amendments to the initial expenditure plan and subsequent annual expenditure plan were made by resolution adopted by a majority of the Council following:
 - i. Submission for comment and recommendation to the Measure N Sales Tax Oversight Committee and
 - ii. Public hearing during at least two regularly scheduled and appropriately noticed meetings of the City Council; and,
 - d. That the initial expenditure plan, any subsequent annual expenditure plan and any amended expenditure plans were made publicly accessible at all times; and,
 - e. Establishment of a separate "Economic Uncertainty" fund within the Measure N fund(s) of 10% of the budgeted Measure N sales tax proceeds for the coming plan year; and,
 - f. Establishment of separate "Maintenance and Emerging Needs" funds within the Measure N fund(s) of (1) 8% of the budgeted Measure N sales tax proceeds for the coming plan year and (2) 2% of the budgeted Measure N sales tax proceeds which shall be used for youth programs; and,
 - g. That none of the Measure N sales tax proceeds were used to pay annual debt service requirements.

Finding:

The Measure calls for the establishment and funding of an Economic Uncertainty Fund in the amount of 10% of the annually budgeted revenues. The Measure N Economic Uncertainty Fund balance as of June 30, 2022, was \$1,170,470. The amount for the Measure N Economic Uncertainty Fund met the required 10%.

The Measure also calls for the establishment and funding of a Maintenance and Emerging Needs Fund in the amount of 10% of the annually budgeted revenues of which 2% of the budgeted revenues shall be used for youth programs. The Maintenance and Emerging Needs Fund and The Maintenance and Emerging Needs Fund - Youth Fund were both funded during the fiscal year June 30, 2022, with the amount of \$936,400 and \$234,100, respectively which met the required percentages.

- (5) We traced all Measure N monies remitted by the California Department of Tax and Fee Administration to determine whether they were properly deposited into the appropriate Measure N fund.

Findings: None

- (6) We performed procedures to verify the summaries of Measure N receipts, disbursements and unexpended funds pertaining to the fiscal year 2021-2022 as prepared by the City.

Findings:

Police

The Annual Measure N Plan calls for the hiring of 24 police officers and eight police professional staff during the current fiscal year. Our review indicated that 24 police officers and six police professional staff were hired as of June 30, 2022. Therefore, two police professional staff positions were vacant as of June 30, 2022 and are currently being recruited.

Fire

The Annual Measure N Plan calls for the hiring of six firemen (a Battalion Chief, Administrative Captain, EMS Coordinator and three Paramedics) during the current fiscal year. Our review indicated that six firemen were hired in accordance with plan objectives.

Parks and Recreation

The Annual Measure N Plan calls for the hiring of two parks and recreation maintenance employees, an urban forest employee and a recreation coordinator. Our review indicated that two parks and recreation maintenance employees and an urban forest employee were hired in accordance with the Annual Measure N Plan. Our review indicated that the recreation coordinator was transferred to another fund in 2019-2020 fiscal year, due to the pandemic, and the position remained open as of June 30, 2022.

Youth Programs

The Measure N Plan called for the implementation of a Clubhouse Networking program in a previous year which rolled-over to the current fiscal year and the Youth Programs Fund was able to fund various hourly employees working on the Clubhouse Networking program in accordance with the Plan.

Findings:

We found that the Capital Improvement Program expenditures are generally proceeding in accordance with the Annual Measure N Plan. Measure N Funds include a capital project roll-over policy consistent with all City projects and funds where projects approved and possibly started but not completed in one fiscal year may roll-over into the next fiscal year until completed.

Police

As of June 30, 2022, 21 police officer vehicles and two police professional staff vehicles had been purchased. The Measure N Plan called for the purchase of an additional two police officer vehicles in the fiscal year 2020-2021 and one additional police officer vehicle in the fiscal year 2021-2022. We noted that the purchase of two police officer vehicles had been approved during the 2020-2021 fiscal year and then later delayed due to the pandemic. Additional delays continue due to the current shortage of vehicles. The remaining one vehicle will be purchased in the future as vehicles become available.

Fire

The Capital Improvement Program expenditures for refurbishment of Station 51 had been delayed due to the advancement of relocating Fire Station 56 within the Annual Measure N Plan. Land previously purchased for Station 56 during the 2018-2019 fiscal year was sold in the current fiscal year and land for a new location was purchased during the current fiscal year. The project is in the design phase and management anticipates the project to be completed in fiscal year 2022-2023.

Roads

Various street maintenance projects have been completed in fiscal year 2021-2022 in accordance with the Measure N Plan. \$4,688,593 had been expended during the fiscal year ended June 30, 2022.

Parks and Recreation

No Capital Improvement Program expenditure amounts had been included in the Annual Measure N Plan or expended as of June 30, 2022.

We noted that \$68,900 was spent on tree maintenance during the fiscal year when the Annual Measure N Plan only budgeted for \$53,000. City Staff made the corrections in fiscal year 2021-2022 to address the overages as expenses fell into allowed Measure N Plan park maintenance.

Recommendation:

We recommend that the City staff ensure that expenditures in excess of the approved Annual Measure N Plan are not charged to Measure N funds and if costs exceed amounts approved, we recommend that City staff follow the necessary steps to amend the Plan.

Management Response:

City Staff has implemented processes to ensure that expenditures are within the approved Annual Measure N Plan.

Other

The Annual Measure N Plan calls for a Downtown Street Light System. The design phase of this project has been completed in the current fiscal year and a contractor has been approved. Management anticipates the project to be completed in fiscal year 2022-2023.

Maintenance and Emerging Needs

Various building maintenance projects have been completed in accordance with the Measure N plan of which, \$63,920 had been expended during the fiscal year ended June 30, 2022.

Youth Programs

No Capital Improvement Program expenditure amounts had been included in the Annual Measure N Plan or expended as of June 30, 2022.

(7) We conducted an exit interview with City staff representatives.

Findings: None

We were engaged by the City to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on administration, financial management and accounting. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the City Council, City management and the Measure N Sales Tax Oversight Board and is not intended to be and should not be used by anyone other than those specified parties. However, this report is a matter of public record and its distribution is not limited.

Very truly yours,


M. GREEN AND COMPANY LLP
Certified Public Accountants

January 3, 2023
Visalia, California

CITY OF VISALIA BOND DISCLOSURE REQUIREMENTS

The City of Visalia (the City) periodically issues tax-exempt debt. Frequently the bond covenants require that the City of Visalia disclose additional information about its operations for the benefit of the bond holder. This disclosure statement provides for those disclosure requirements.

This disclosure statement addresses required disclosures for the following debt issues:

Redevelopment Agency Tax Allocation Bonds

On June 18, 2003, the Visalia Community Redevelopment Agency issued \$5,185,000 of 2003 Tax Allocation Refunding Bonds (2003 Bonds) to retire outstanding variable rate 1990 Tax Allocation Bonds and to pay for issuance costs. Due to the variable nature of the refunded debt, the City could not determine the economic gain on the transaction.

Tax increment revenue is pledged for the repayment of the 2003 Bonds. Interest ranges from 2.0% to 4.1% and is due semiannually each July 1 and January 1. Commencing in 2004, principal is payable each July 1 through 2026.

This debt was transferred to the Successor Agency of The City of Visalia on February 1, 2012, as a result of the dissolution of the Visalia Community Redevelopment Agency.

Certificates of Participation

On July 2, 2014, the City issued \$7,380,000 of 2014 Refunding Certificates of Participation (the Certificates) to (a) refund all of the City's outstanding 2005 Refunding Certificates of Participation (the Prior Certificates), (b) to purchase a municipal bond debt service reserve insurance policy for deposit into a debt reserve service reserve fund established for the Certificates, and (c) to pay the costs related to the execution and delivery of the Certificates. Of this issue, 84% is allocable to the Convention Center and 16% is considered general long-term debt. Interest represented by the Certificates is payable semiannually on June 1 and December 1 of each year, commencing on December 1, 2014, with the final payment due in the year 2025. The 2014 Certificates advance refunded the outstanding 2005 Refunding Certificates of Participation. The 2005 Certificates were fully called on July 11, 2014.

Certificates of Participation

On September 10, 2015, the City issued \$17,910,000 of 2015 Certificates of Participation to (a) construct and equip the Visalia Emergency Communications Center (the VECC), (b) to replace the City's Computer Aided Dispatch and Records Management System (the CAD/RMS), (c) to make certain improvements to the Visalia Convention Center, (d) to purchase a municipal bond debt service reserve insurance policy for deposit into a debt service reserve fund established for the Certificates, and (e) to pay the costs related to the execution and delivery of the Certificates. Of this issue, 27% is allocable to the Convention Center and 73% is considered general long-term debt. Interest represented by the Certificates is payable semiannually on June 1 and December 1 of each year, commencing on December 1, 2015, with the final payment due in the year 2029.

DISCLOSURES

Redevelopment Agency Tax Allocation Bonds

Successor Agency of The City of Visalia (former Visalia Community Redevelopment Agency of The City of Visalia)

On December 29, 2011, the California Supreme Court upheld Assembly Bill IX 26 (Bill) that provides for the dissolution of all redevelopment agencies in the State of California.

The Bill provides that upon dissolution of a redevelopment agency, either the City or another unit of local government will agree to serve as the "successor agency" to hold the assets until they are distributed to other units of state and local government. On January 17, 2012, the City Council elected to become the Successor Agency for the former Visalia Community Redevelopment Agency (RDA) with the Bill as part of City resolution number 12-01.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations, or commitments. Subject to the control of a newly established

oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011), all redevelopment agencies in the State of California were dissolved and ceased to operate as legal entities as of February 1, 2012. The Successor Agency of The City of Visalia took over the affairs of the former RDA of the City of Visalia at that time and is responsible for the wind down of the affairs of the dissolved RDA. It is responsible for fulfilling the obligations of the former RDA and is also responsible for revenue collection, maintaining bond reserves, and disposing of excess property. When the RDA was dissolved, the four project areas of the RDA were combined into one entity. Therefore, some historical information as required by the continuing disclosure is no longer available or applicable.

For FY 2021-22 and future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the former redevelopment agency have been paid in full and all assets have been liquidated.

The only outstanding bonded debt of the former Visalia Community Redevelopment Agency is the 2003 Tax Allocation Refunding Bonds (2003 Bonds). The 2003 Bonds have been accepted by the California Department of Finance as enforceable obligations. As a result, the County of Tulare will provide former tax increment revenues to the Successor Agency of the City of Visalia for payment of the 2003 Bonds.

The 2003 Tax Allocation Refunding Bonds (East Visalia Redevelopment Project) required continuing disclosures which are now meaningless due to the dissolution of redevelopment agencies. Continuing disclosure covenants ask for the following five tables:

- Historical Assessed Valuation (Table 3)
- Historical Levy and Receipts (Table 4)
- Top Ten Taxpayers (Table 6)
- Projected Tax Revenues (Table 8)
- Projected Debt Service Coverage (Table 9)
- Rating Changes

These tables are presented here as required.

**TABLE 3
SUCCESSOR AGENCY OF THE CITY OF VISALIA
EAST SUCCESSOR AGENCY PROJECT AREA
HISTORICAL AND CURRENT ASSESSED VALUATION
LAST FIVE FISCAL YEARS**

Fiscal Year Ended June 30	Locally- Assessed Secured Value	Unsecured Value	State-Assessed Value	Total Assessed Value	Incremental Assessed Value
2018	166,077,971	19,965,433	602,306	186,645,710	71,719,119
2019	172,658,326	23,034,881	602,306	196,295,513	71,719,119
2020	182,187,754	21,343,824	602,306	204,133,884	71,719,119
2021	194,743,023	19,553,714	602,306	214,899,043	71,719,119
2022	197,716,642	25,230,839	651,803	223,599,284	71,719,119

Source: County of Tulare and City of Visalia Finance Department

Table 4
Successor Agency of The City of Visalia
East Visalia Redevelopment Project
Historical Levy and Receipts

Fiscal Year	Levy	Total Receipts of Tax Increment Revenue	Percentage of Levy Received
2008-09	\$ 1,170	\$ 1,389	118.72%
2009-10	1,244	1,336	107.40%
2010-11	1,212	1,339	110.48%
2011-12*	1,177	665	56.50%

* Partial Year due to the dissolution of The Visalia Community Redevelopment Agency on February 1, 2012

The 2003 Bonds have been accepted by the California Department of Finance as enforceable obligations. As a result, the County of Tulare will provide former tax increment revenues to the Successor Agency of the City of Visalia for payment of the 2003 Bonds.

Source: County of Tulare and City of Visalia Finance Department

Table 6
SUCCESSOR AGENCY OF THE CITY OF VISALIA
EAST VISALIA REDEVELOPMENT PROJECT AREA
TOP TEN TAXPAYERS
BASED UPON 2021-22 ASSESSED VALUATION

Property Owner	Fiscal Year 2021-22 Total Assessed Value	Percentage of Total ⁽¹⁾
1 Hotel Circle GL Holding LLC	\$ 16,814,649	7.52%
2 Donald John & Shelly Kaye Groppetti	15,850,571	7.09%
3 Willow Street Development Co LLC	11,183,698	5.00%
4 Kenneth J. Curti (TR)	9,026,116	4.04%
5 ABEC #8 LLC	7,433,860	3.32%
6 Mark Whittlesey (TR)	6,422,811	2.87%
7 Visalia Land & Investment Co LLC	6,314,860	2.82%
8 United Rentals North America Inc.	4,736,510	2.12%
9 Legacy Investments LLC	3,561,822	1.59%
10 Z5 LLC	3,216,609	1.44%
	\$ 84,561,506	

⁽¹⁾ Fiscal Year 2021-22 assessed valuation: \$223,599,284

Source: Tulare County Auditor Controller's Office

Table 8
Successor Agency of The City of Visalia
East Visalia Redevelopment Project
Tax Revenues
(000s Omitted)

Fiscal Year	Total Assessed Valuation	Tax Increment	Senior Tax Sharing	Section 33676 Adjustment	County Admin Fees	Housing Set-Aside	Tax Revenues
2008-09	\$ 160,739	\$ 1,389	\$ 550	\$ 9	\$ 64	\$ 278	\$ 488
2009-10	171,728	1,336	585	9	41	267	434
2010-11	169,542	1,339	594	9	39	268	429
2011-12*	167,310	665	12	9	22	133	489

* Partial Year due to the dissolution of The Visalia Community Redevelopment Agency on February 1, 2012

Source: County of Tulare and City of Visalia Finance Department

With the dissolution of redevelopment agencies, successor agencies will only receive property tax revenues sufficient to pay debt service. As a result, the County of Tulare will provide the City's successor agency tax increment equal to the debt service for that year. In other words, debt service coverage will be 1.0 and projected receipts will be equal to debt service.

Table 9
Successor Agency of The City of Visalia
East Visalia Redevelopment Project
Projected Debt Service Coverage
(000's Omitted)

Fiscal Year	Tax Revenues	Debt Service	Coverage
2008-09	\$ 488	\$ 220	222%
2009-10	434	225	193%
2010-11	429	230	187%
2011-12*	489	240	204%
2012-13**	245	245	100%
2013-14**	255	255	100%
2014-15**	260	260	100%
2016-2020**	1,065	1,065	100%
2021-2025**	1,005	1,005	100%
2025-2027**	460	460	100%

* Partial Year due to the dissolution of The Visalia Community Redevelopment Agency on February 1, 2012

**The 2003 Bonds have been accepted by the California Department of Finance as enforceable obligations. As a result, the County of Tulare will provide former tax increment revenues to the Successor Agency of the City of Visalia for payment of the 2003 Bonds.

Source: City of Visalia Finance Department

Rating Changes for **2003 Tax Allocation Refunding Bonds (East Visalia Redevelopment Project)**

- On August 10, 2010, Standard & Poor's upgraded the 2003 Bonds from BBB to A-, the last rating analysis that the City has received.

Certificates of Participation – 2014 Refunding Certificates of Participation

The 2014 Refunding Certificates of Participation required the following continuing disclosures that are not already included as part of the City's Annual Comprehensive Financial Report (CAFR):

Balance of the Reserve Fund as of January 1
Rating Changes

The reserve fund for the 2014 Refunding Certificates of Participation consists of an Assured Guaranty Municipal Bond Insurance Policy. The market value of the bond insurance in place at January 1, 2022 was \$797,250.00.

Rating Changes for **2014 Refunding Certificates of Participation**

- On June 12, 2014, Standard & Poor's issued a rating for the 2014 Refunding Certificates of Participation of A+. On January 6, 2021, Standard & Poor's reaffirmed the A+ rating. This is the latest rating analysis that the City has received for this issue.

Certificates of Participation – 2015 Certificates of Participation

The 2015 Certificates of Participation required the following continuing disclosures that are not already included as part of the City's Annual Comprehensive Financial Report (CAFR):

Balance of the Reserve Fund as of January 1
Rating Changes

The reserve fund for the 2015 Certificates of Participation consists of an Assured Guaranty Municipal Bond Insurance Policy. The market value of the bond insurance in place at January 1, 2022 was \$1,578,737.50.

Rating Changes for **2015 Certificates of Participation**

- On August 21, 2015, Standard & Poor's issued a rating for the 2015 Certificates of Participation of A+. On January 6, 2021, Standard & Poor's reaffirmed the A+ rating. This is the latest rating analysis that the City has received for this issue.